



**Bank of China (Thai)  
Public Company Limited**

**2021**

**ANNUAL REPORT**

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**Financial Position (Million Baht)**

	<b>2021</b>	<b>2020</b>
Total assets	70,952	68,541
Loan to customers (Less deferred revenue)	49,527	46,783
Allowance for expected credit losses	1,866	1,468
Total liabilities	60,542	58,319
Deposit	44,605	47,094
Interbank and money market-Liabilities	11,937	7,383
Other liabilities	675	503
Shareholder's equity	10,410	10,222

**Performance Results (Million Baht)**

Net interest income	965	762
Non-interest income	500	451
Expected Credit Losses	317	302
Net profit before tax	304	75
Net profit after tax	250	68

**Financial Ratio (%)**

Return on average asset (ROA)	0.36	0.10
Return on average equity (ROE)	2.43	0.66
Capital adequacy ratio	19.72	21.88
Basic earnings per share (Baht)	0.25	0.07
Book value per share (Baht)	10.41	10.22

In 2021, Bank of China (Thai) Public Company Limited (“BOCT”) faced another challenging year due to unfavorable economic conditions in particular driven by uncertainty surrounding the COVID-19 situation. As at the end of 2021, BOCT’s net profit increased to Baht 250.49 million. The total assets amounted to Baht 70.95 billion and the total liabilities amounted to Baht 60.54 billion, representing an increase of 3.52% and 3.81% respectively over the previous year. The non-performing loan ratio was 3.04% decreased from 3.23% compared to the previous year.

Since the integration with Bank of China (Hong Kong) Limited (“BOCHK”) in year 2017, BOCT has continuously received strong support and has made great improvements in various dimensions such as risk management, corporate governance, organizational structure, business marketing, compliance, internal control

During COVID-19 outbreak, BOCT has committed to supporting the customers to withstand the effects of the COVID-19 pandemic with a number of loan relief measures in line with the Bank of Thailand’s instructions and guidance to alleviate financial burdens and manage challenges arising from the pandemic. In addition, BOCT has implemented a business continuity management plan to serve customers. BOCT has also introduced COVID-19 Transmission and Protective Measures in line with the Department of Disease Control, Ministry of Public Health such as temperature checks, face mask-wearing, social distancing, etc.

Above all, BOCT strived to implement localization strategic plan and provided financing support to Thai infrastructure projects and Thai business enterprises. BOCT also cooperated with parent bank and other financial entities in the group to offer credit facilities such as syndicated loans, club loans and trade finance to local clients. Also, for personal banking business, BOCT is experiencing growth in home loans and credit cards.

With due to the impact of COVID-19 pandemic is transforming the customer spending behaviours, bank under the parent bank's sustenance have enhanced the more digital services for example Mobile Banking and other Electronic channels, consenting the bank to serve customers appropriately according to their needs. Regardless of Hat Yai Branch and Khon Kaen Branch were closed in 2021.

BOCT strictly adhered to laws and regulations of the Bank of Thailand and other regulatory requirements, implementing risk management concepts and internal control procedures aligning to BOCHK’s risk management governance and internal control frameworks. To support the group’s initiative of culture transformation, BOCT actively participated in various social

activities, progressively promoting BOCT's branding as well as enhancing team cohesion and harmony.

In the year 2022, facing with the challenges from the increasingly complex market environment, the bank still focuses on the business sustainable growth with good return. Simultaneously working proactively, focusing on digital banking, developing innovation, promoting international business expansion, which considers economic, social and environmental dimensions to benefit all stakeholders, as well as supportive the continuation business operations that beneficial to economy of Thailand.



Mr. Wang Hongwei

Chairman of the Board of Directors

Bank of China (Thai) Public Company Limited (“BOCT”)’s major shareholder is Bank of China (Hong Kong) Limited (“BOCHK”). BOCHK is one of the most important commercial bank in Hong Kong. BOCHK has the largest branch network, ranking at the top in all major businesses with full financial services. Bank of China Group (“BOCG”) has been operating for more than a century and being one of the renowned international and diversified banks in China.

Thailand is considered as an important area of Bank of China (“BOC”) in term of being the strategic developing area among ASEAN regions. On 21st February 1994, BOC established Bangkok International Banking Facility (“BIBF”) in Thailand, and was formally upgraded to be Bank of China Limited, Bangkok Branch (“BOCBKK”) on 10th March 1997 whereby BOCBKK had provided full banking services. On 26th August 2014, BOCBKK had been transformed to be a subsidiary bank, namely BOCT. On 9th January 2017, BOCT officially became a member of BOCHK Group as part of the restructuring plan among BOC Group in the ASEAN region.

With a history of business operation of BOCT more than 27 years, in order to promote the advantages of our cross-border services, BOCT aims to maintain the valued customers and provides full financial services of BOC Group by supporting investment of overseas Chinese enterprises and promoting RMB globalization, BOCT will enhance the business with corporate customers, retail customers as well as financial institutions. BOCT also continually follows the missions of BOCG and BOCHK to uphold the mission by striving to build a world-class banking group in the new era.

### 1. Comprehensive RMB Services

#### 1.1 RMB Saving Account

Offering RMB saving account in Thailand:

- Internet/ Mobile Banking service available.
- Transfer funds from the client's account to
  - His/her family or friends' RMB account with BOCT.
  - His/her account in another currency with BOCT (funds will be exchanged from RMB into another currency).

#### 1.2 All-in-One RMB Fixed Term Deposit Account

Offering All-in-One Fixed Term Deposit Account with RMB currency in Thailand, the customers can deposit to RMB account for 1-month, 3-month, 6-month and 12-month term.

- No account opening fee or account management fee.
- Internet and Mobile Banking service available.
- Early withdrawal/partial withdrawal before maturity date permitted (Terms and Conditions may apply).

#### 1.3 RMB Currency Exchange

The customer can hold a saving account in RMB and another saving account in another currency, e.g. USD, GBP, EUR and SGD. The customer can make currency exchanges by simply transferring funds between these two accounts.

- No commission to exchange RMB
- Offer better exchange rate to transfer fund between accounts
- Online currency exchange available

#### 1.4 RMB Pre-Settlement Remittance

RMB pre-settlement remittance\* is one of the special services provided by BOCT. When the receiver in mainland China would like to receive RMB from the payer in Thailand, BOCT can lock the RMB exchange rate upon remittance, enabling the payee to receive in full amount of RMB at the fixed exchange rate on the day of remittance, eliminating the exchange rate risk between foreign currency and RMB.

- Payer can be any individual residing outside mainland China.
- Payee\*\* must be any Chinese citizens.
- Payer and Payee's name can be expressed in Chinese characters for convenience.

\* Due to the regulation of State Administration of Foreign Exchange in China, an annual limit of USD 50,000 equivalents in RMB is set as the ceiling of individual's exchange settlement amount. Customers should make sure the payee fulfills the regulation requirement before remittance takes place.

\*\* The payee's 18-digit ID number should be provided.



### 1.5 RMB Cross-border Trade Settlement

BOCT's experienced and professional trade service team provides the customer with suitable and tailor-made RMB trade settlement and financing solutions, including Import Trade Settlement (RMB Import Collection Bills, RMB L/C Issuance), Import Trade Financing (RMB Trust Receipt Facilities under L/C, T/T, D/P, D/A), Export Trade Settlement (RMB Export Collection Bills, RMB L/C Advising, RMB L/C Confirmation, RMB L/C Transfer), Export Trade Financing (RMB Export Bills under L/C Negotiation, RMB Export Bills Advances, RMB Export Bills Discounting, RMB Forfaiting) to meet the customer's financial needs for business expansion.

BOCT has the strong network of RMB Cross-Border Settlement. BOCG is authorized to be the RMB Clearing bank in the following 13 countries and regions: Hong Kong, Macau, Taiwan, Malaysia, Australia, South Africa, Zambia, France, Germany, Hungary, U.S.A (New York), Japan and Philippines.

## 2. Local Account Service

### 2.1 Savings Account

An interest-bearing passbook account with its full flexibility to withdrawal at all times.

- A passbook with all transaction records.
- Multiple currencies available in THB, USD, CNY, EUR, SGD, HKD and GBP.
- Funds in THB, USD and RMB can be deposited in cash or transferred to another account, while other currency funds can only be transferred between accounts.
- Union Pay debit cards available and can be linked to individual clients' THB and RMB savings accounts.
- The interest calculation is on a daily base. Interest will be paid twice a year, in June and December at the Bank's applied rates.
- Minimum deposit requirement may vary with different currencies.

### 2.2 Fixed Term Deposit Account

- Fixed term with 1/3/6/12/24 month(s) available. A passbook with all transaction records.
- Multiple currencies available in THB, USD, CNY and SGD.
- Flexible choice whether to renew both the principal and interest or only to renew the principal on the due date.
- Early withdrawal/partial withdrawal before maturity date permitted (Terms and Conditions may apply).
- Internet/Mobile Banking available.

## 8 Products and Services

### 3. Money Transfer

#### 3.1 Local

Through a variety of service channels, the clients can easily and conveniently transfer their funds to payees.

- Transfers among BOCT accounts are free of charge, whether through the same currency or cross currencies.
- Both Baht Net and Bulk payment\* are available over the counter or via online banking.

*\* Bulk payment can only be applied to the remittance amount less than 2 million Baht.*

- Prompt Pay instant transfer is available via online banking.


#### 3.2 International


Worldwide network of branches/subsidiaries and correspondent banks of BOCT provides safe and secure international payment.

- International remittance service available to all account holders of BOCT.
- Multiple currencies such as USD, GBP, HKD, JPY, AUD, EUR, SGD, THB, CAD, CHF and CNY are available.
- Remitter and beneficiary's name can be expressed in Chinese characters.

### 4. Bank Cards

#### 4.1 Great Wall International Debit Card


BOCT is the first bank in Thailand offering dual-currency debit card, with Chinese Yuan and Thai Baht in one card. Customers can enjoy the convenience of withdrawing cash from ATMs and paying for goods/services globally, when seeing the symbol of UnionPay .

- Dual currency (Chinese Yuan and Thai Baht).
- Union Pay Brand.
- Convenient cash withdrawal or merchant's payment worldwide with the logo of .
- No exchange rate risk for all transactions in China via CNY deposit account in BOCT.
- Safe and secure with the personal PIN number required for each transaction, no matter for cash withdrawal or shopping.
- Conveniently withdraw cash from ATM of any banks in Thailand with Thai Payment network.
- Card holders can withdraw cash through ATMs of BOC network in mainland China, which is rather suitable for Thai people working or studying in mainland China.

#### 4.2 Great Wall International Credit Card



##### 4.2.1 Great Wall International UnionPay Credit Card


A Dual-Currency Credit Card, with Chinese Yuan and Thai Baht in one card, gives superior benefits when customers use the credit card all over the world. With the

widespread merchant networks accepting logo of  in Thailand and other 100 countries worldwide, customers can enjoy the convenience in making purchases. No exchange rate risk when using the card in China, as long as repayment is done through BOCT's CNY account or paid in CNY.

- Dual currency (Chinese Yuan and Thai Baht)
- Union Pay brand
- No exchange rate risk for all transactions in China as long as repayment is done through BOCT's CNY account or paid in CNY
- Enjoy installment program
- Enjoy rewards points benefits
- Interest-free period maximum 52 days
- Cash advance service through all ATM with the logo of 
- Enjoy Union Pay global service

#### 4.2.2 Great Wall International Mastercard Credit Card

Great Wall International Mastercard credit card can be used to pay for goods/services at any stores worldwide with the logo of , and to withdraw cash at any ATMs with the logo of  around world.

- Thai Baht currency
- MasterCard brand
- Enjoy installment program
- Enjoy rewards points benefits
- Interest-free period maximum 52 days
- Cash advance service through all ATMs with the logo of 
- Enjoy MasterCard global service

## 5. Mortgage

BOCT offers a variety of mortgage products and enabling customers to get their own home through buying a new one from developers, purchasing a second-hand one from the property market or refinance existing mortgage loan to BOCT.

- Competitive interest rate.
- For refinancing applicants from other banks, a special-rate to additional loan for renovation, decoration, and furniture purchase will be offered.
- Mortgage arrangement for foreign property buyers with overseas income is available.

## **6. Trade Finance**

### **6.1 Letter of Guarantee**

Letter of Guarantee is a written commitment issued by BOCT at the request of the applicant to pay the beneficiary a certain sum of money up to a maximum amount stipulated in the Letter of Guarantee in the event of default or failure to fulfil the contractual obligations by the applicant under the contract signed between the applicant and the beneficiary.

Letter of guarantee has a variety of categories and uses, applicable to goods, services, technology trade, project contracting and construction, goods import-export declaration, financing from financial institutions, large sets of equipment lease, preservation in litigation, contractual obligation fulfilment, etc.

#### **6.1.1 Bid Bond**

A written document issued by BOCT to compensate the beneficiary within the amount stipulated in the Letter of Guarantee in the event that the applicant of the guarantee (Bidder) refuses to conclude a contract with the beneficiary, or withdraws or amend its bid during the validity of bidding period or fails to present a performance guarantee to the beneficiary after concluding the contract.

#### **6.1.2 Advance Payment Guarantee**

A written documents issued by BOCT to compensate the project owner or the buyer within the amount stipulated in the Letter of Guarantee due to the failure of Applicant to fulfil the contractual obligations after the project owner or the buyer makes the advance payment.

#### **6.1.3 Performance Guarantee**

A written document issued by BOCT at the request of applicant to compensate the beneficiary (the owner of a contracted project or the buyer) within the amount stipulated in the Letter of Guarantee in the event of default by the applicant in due performance of the contractual obligations.

#### **6.1.4 Quality Assurance Guarantee**

A written documents issued by BOCT at the request of the applicant (the contractor / the supplier) to compensate the beneficiary (the project owner / the buyer) within the amount stipulated in the Letter of Guarantee in the event of the failure of the applicant to fulfil the contractual obligation during the warranty period or maintenance period.

#### **6.1.5 Payment Guarantee**

A written document issued by BOCT at the request of the applicant (the buyer) to compensate the beneficiary (the seller) within the amount stipulated in the Letter of Guarantee in the event of the failure of the applicant to fulfil the payment obligations under the contract to purchase goods, technology, patent or labour and etc.

#### **6.1.6 Financing Guarantee**

A written document issued by BOCT at the request of the applicant to compensate the beneficiary (the another bank) who provides the loan facility to the applicant or his subsidiaries/partners within the amount stipulated in the Letter of Guarantee in event of the failure of the applicant to fulfil the financial obligation.

## **6.2 Import Financing**

### **Letter of Credit (L/C)**

The Letter of Credit (L/C) is an irrevocable payment undertaking issued by BOCT at the request of the buyer/importer (the L/C applicant) in favour of the seller /exporter (the L/C Beneficiary) to fulfil the payment obligation to the L/C Beneficiary under the conditions that the L/C Beneficiary presents all documents as required in the L/C and the terms and conditions under the L/C are complied with.

The Letter of Credit (L/C) can be mainly divided into 2 types as following:

- 1) Sight L/C: Payment will be made after the documents as required in the L/C are presented and the terms and conditions of L/C are complied with.
- 2) Usance L/C: Payment will be made at the maturity date after the documents as required in the L/C are presented and the terms and conditions of L/C are complied with.

#### **6.2.1 Trust Receipt**

Trust Receipt Loan (T/R Loan) refers to a short-term loan granted by BOCT to the Applicant in relation to Import LC to allow the Applicant take possession of the goods in trust for resale, the bank will pay the goods / service to the exporter on due, while the Bank retains title to the goods and the sales proceeds until the loan is settled by the Applicant.

#### **6.2.2 Inward Collection**

Entrusted by a foreign correspondent bank or an affiliated bank (a remitting bank) and according to their collection instructions, BOCT provides the collection and settlement services and delivers the relevant documents to the importer / buyer.

Inward Collection is suitable for the importer /buyer who wish to pay to the exporter/ seller with lower cost and simpler procedures than L/C.

The Inward Collection can be mainly divided into 2 types as following:

- 1) Documents against Payment (D/P at Sight), the importer/ buyer can receive the documents for disposing the goods after making the payment.
- 2) Documents against Acceptance (D/A), the importer/ buyer can receive the documents for disposing the goods after making the acceptance and effecting the payment on due date as agreed terms with the exporter/ seller.

#### **6.2.3 Import Invoice Financing (IIF)**

Import Invoice Financing (IIF) refers to a type of short-term loan provided to the BOCT's customer on a with-recourse basis, for the purpose of financing purchase of Goods and/or Services (including the shipment of the Goods), in which the Supplier sends all trade documents to the Purchaser directly under T/T payment term need to be effected on due date.

### **6.3 Export Financing**

#### **6.3.1 L/C Advising**

L/C Advising is the notification of the received L/C or its amendments to the beneficiary by BOCT. This product can help the beneficiary (exporter) under the L/C to timely receive the L/C or its amendments verified of their genuineness.

By our network around the world, BOCT can serve this L/C advising service to the beneficiary efficiency.

#### **6.3.2 L/C Confirmation**

L/C Confirmation is the irrevocable payment obligation undertaken independently by BOCT for the L/C Beneficiary (the exporter / the seller), in addition to the irrevocable payment undertaking by L/C issuing bank.

In case the L/C Beneficiary does not feel comfort with the L/C issuing bank's credit risk or the country's risk, the L/C Beneficiary can contact BOCT to provide the L/C Confirmation in favour of the L/C Beneficiary. BOCT will guarantee to effect the payment under the condition that the documents as required in the L/C are presented and all terms and conditions of L/C are complied with. L/C Confirmation can provide the double assurance of payment to the L/C Beneficiary.

#### **6.3.3 Transfer L/C to the second beneficiary (beneficiaries)**

Transfer L/C is a beneficial service for L/C Beneficiary (the exporter / the seller) who act as an intermediary after receipt of the transferable L/C issued by L/C issuing bank. The L/C Beneficiary (the first beneficiary) can request BOCT to transfer L/C to the second beneficiary (beneficiaries) under the conditions that the L/C issuing bank authorizes BOCT to be the transferring bank. The Transfer L/C can be made for the partial or the full amount of the L/C.

#### **6.3.4 Bill Negotiation under Letter of Credit**

Bill Negotiation under Letter of Credit (L/C) is a service that BOCT provides the documents examination for L/C Beneficiary to ensure that the document presentation is complied with the terms and conditions of L/C and forward the documents to L/C issuing bank for reimbursement. After receipt of payment, BOCT will credit the net proceeds to the L/C Beneficiary's account as instruction.

#### **6.3.5 Outward Bills for Collection**

Outward Bill for Collection is the service which BOCT provides the payment collection service from the importer / the buyer through their collecting bank. This kind of service is suitable for the exporter / seller who understand the credit status of the importer/ the buyer and has the sufficient funds for preparation and delivery of goods.

The payment instruction under Outward Bill for Collection, which the exporter / the seller can use, is mainly divided into 2 types:

- Documents against Payment (D/P) – Under this type of collection, BOCT will provide the collection instruction to the collecting bank to collect the payment from the importer/ the buyer (the drawee) before releasing the documents to importer/ the buyer.
- Document against Acceptance (D/A) – Under this type of collection, BOCT will provide the collection instruction to the collecting bank to receive the acceptance from the importer / the buyer (the drawee) before releasing the documents to the importer / the buyer.

#### **6.3.6 Purchase / Discount the Bills under Letter of Credit & Collections**

BOCT can provide the post-shipment financing facilities by purchasing the documents under L/C (At Sight) or under collections (D/P at sight) or discounting the documents under L/C (Usance) or under collections (D/A). With this kind of financing, it assists the exporter / the seller to accelerate the funding circulation before obtaining the payment from the L/C issuing bank or the importer/ the buyer under collections.

#### **6.3.7 Forfaiting (Discounting of Bills under Usance L/C without Recourse)**

Forfaiting (Discounting of Bills under Usance L/C without recourse) is the post-shipment financing service which BOCT provides to the L/C Beneficiary (the exporter / the seller) who wants to eliminate the credit risk of L/C issuing bank, the country risk of L/C issuing bank under Usance L/C. BOCT will discount the bills on without-recourse basis after receiving the acceptance by the L/C issuing bank through authenticated swift, and will credit the proceeds to the L/C Beneficiary's account after deducting all charges and discounting interest.

#### **6.3.8 Factoring**

Factoring refers to the integrated financial services including buyer credit checking, collection of receivables, credit protection, sales ledger management and prepayment against receivables rendered by a factor (export factor) to a client (seller) based on the assignment of receivables, when the seller sells goods or provides services to a buyer by way of credit such as open account & D/A. By providing the factoring service, the Bank can better understand a client's sales model, business model and quality of buyers, and be able to maintain the balance of import and export business portfolio (monitoring the entire trade process).

#### **6.3.9 Export Invoice Discounting (EID)**

Export Invoice Discounting (EID) refers to providing financing on with-recourse basis and services like collection of accounts receivable and sales administration to the seller assigns his existing or future accounts receivable to BOCT.

#### **6.3.10 Packing Loan (P/L)**

Packing Loan ("P/L") refers to trade finance provided against a Letter of Credit issued in favour of the customer and pledged to the Bank.

#### **6.3.11 Pre-Shipment Financing ("PSF")**

Pre-Shipment Financing (“PSF”) refers to a specialized trade finance of purchasing, production and transportation under the purchase order or trade contract submitted provided by the Bank to support stocking and shipping for exporters under international trade and suppliers under domestic trade.

## **7. Global Markets Product**

### **7.1 Foreign Exchange Spot Transaction**

Foreign exchange spot transaction means that two parties enter into deals at the spot exchange rate of foreign exchange markets on the day and complete corresponding foreign exchange deliveries within Spot date (T+2). BOCT provides exchange service of all kinds of freely convertible currencies mainly including USD, THB and CNY.

- Competitive Foreign Exchange rates offered.
- Cash exchange among THB, CNY and USD available for both accounts holders and walk in customers.

### **7.2 Forward Transaction**

#### **7.2.1 Foreign Exchange Outright Forward Transaction**

Foreign Exchange Forward Transaction refers to the foreign exchange transaction on a foreign exchange rate agreed by the buyer and seller under a foreign exchange contract, and for delivery on an agreed day, which is generally a certain day after the second working day after the transaction.

The forward transaction can lock up the exchange rate and hedge exchange risk: The Client can fix the future contractual foreign exchange rate on a specified settlement.

#### **7.2.2 Foreign Exchange Optional Forward Transaction**

Optional forward transaction of foreign exchange refers to the foreign exchange forward deal that enables customers to settle with prescribed foreign exchange rate on any working day within a certain contracted period in the future. Customers can choose the settlement date and amount up to the contract size by themselves.

Customers entrust BOCT to settle with the contracted foreign exchange rate within a certain designated period, and implement the conversion between different foreign currencies by buying a kind of currency and selling another.

### **7.3 Foreign Exchange Swap**

The foreign exchange swap consisted of the two transactions with the same amount, different starting date and in opposite direction. The FX swap has near and far value dates and two agreed exchange rates.

### **7.4 Interest Rate Swap**

A transaction which counterparties agree to exchange fixed interest rate for floating interest rate, or vice versa, on the same of notional / principal amount in the specified time period, according to the agreed terms and conditions.



### **7.5 Cross Currency Swap**

A transaction which both counterparties agree to exchange one currency with other currencies, including an exchange of interest obligations of such different currencies, at the specified time period.

## **8. Corporate Loans**

### **8.1 Overdraft (O/D)**

Overdraft (O/D) is a type of credit product that customers can withdraw more than the balance on their current account, within the limits specified by the bank, to support working capital, liquidity.

### **8.2 Project Finance**

Project Finance is a type of loan supporting for any large-scale project by evaluating its business characteristics of project, project feasibility, financial structure, source of repayment, cash flow, and collaterals.

### **8.3 Long Term Loan**

Loan term loan is a type of loan, with tenor more than 1 year, financing investment in fixed assets under a specific repayment schedule and amount.

### **8.4 Working Capital Loan**

Working capital loan is a type of short-term financing, supporting business operation, with tenor 1 – 12 months (depending on business characteristic).

### **8.5 Syndicated Loan**

Syndicated loan refers to financing method where two or more lenders provide funds for one or more companies with one loan agreement based on agreed term and conditions. The product mainly serves large group customers and large projects.

## **9. Personal Internet/Mobile Banking**

### **9.1 Bank Account**

- Account overview: it displays all account information linked to online banking by customers, including account number, alias, type, currency, available balance and account balance;
- Transaction details: customers can make inquiry about and download the transaction details of linked accounts, including transaction date, transaction brief, currency, cash/exchange, amount received, amount paid, balance and so on; customers can also make inquiry about transactions across various time span;
- Term deposit account information: customers can make inquiry about the current status, currency, current balance and available balance of the term deposit account;

- Account management: customers can change the alias of the account, cancel accounts linked to Internet/Mobile banking, and link other account to Internet/Mobile banking.

## 9.2 Transfer and Remittance

- Within Bank transfer: customers can transfer the funds in current account to his/her or other people's account, including: transfer among customers' accounts of the same currency, transfer among customers' accounts of different currencies (currencies exchange), and transfer to other people's current account in BOCT.
- Domestic transfer: customers can transfer the funds in current account to other domestic banks' account, there are three types of domestic transfer;
  - Bulk Payment: T+1 and T+2 transfer
  - Bahtnet
  - Prompt Pay instant transfer
- Overseas remittance: customers can remit the funds in current account to an overseas account, including: general remittance (remittance directly from a current account of USD or another currency) and RMB advance settlement of foreign exchange remittance.
- Term deposit: customers can convert the funds in current account into term deposit, or transfer mature funds to certain current account.
- Payee management: customers can store the information of frequently used payees; therefore they can simply find certain payee's information for online remittance without inputting every time.
- Scheduled transactions management: by using this function, customers can manage the scheduled transfer and remittance transactions and the system handles the transactions according to customers' selection (only personal scheduled transfer within bank in single currency is available at present).
- Inquiry about online banking transactions: customers can make inquiry about whether the presented online banking transaction is accepted, and inquire about and print the historical transactions.

## 10. Corporate Internet Banking

### 10.1 Bank Account

- Account overview: it displays all account information linked to online banking by customers, including account number, alias, type, currency, available balance and account balance.
- Transaction details: customers can make inquiry about and download the transaction details of linked accounts, including transaction date, transaction brief, currency, cash/exchange, amount received, amount paid, balance and so on; customers can also make inquiry about transactions across various time span.
- Account management: customers can change the alias of the account, cancel accounts linked to online banking, and link other account to online banking.

## 10.2 Transfer and Remittance

- Single Payment: customers can only do one transaction or payment.
- Batch Payment: this function allows customers to create and send many transfers in one time by uploading a batch file.
- Modify: in case a maker has created a failed or uncompleted transaction that have not authorized by an authorizer yet, corporate customers or maker can modify the transaction by this function.
- Authorization: An authorizer has the right to use this function to authorize transactions that have been created by the maker.

## 10.3 iGTB

The Intelligent Global Transaction Banking Platform (“iGTB”) implements the strategy of centering transactions, establishing an online financial ecology, providing integrated solution and increasing customer’s stickiness.

As a Total-Solution Delivery Platform, iGTB provides full range of online transaction banking services to corporate customers with interactive digital experience, it consists of five core system: GTB, GTI, GIB, GMB and GDB and support 3 electronic channels: iGTB NET, iGTB MOBILE, iGTB CONNECT. Through different combination of product modules and the use of big data analysis and application to facilitate precise product selling for different customer requirements. iGTB creates a standardized regional coverage and online delivery, a unified regional transaction banking platform and leading to the era of intelligent corporate banking services 2.0.

Available functions & services on iGTB:

- Fundamental and Customer Experience Management Module: Support user setting and variety of enquiry options, provide an overview of all transactions at a glance.
- Information Management Module: An information hub to provide timely and accurate reporting services.
- Regional Transfer payment module: Support internal transfer, local inter-bank transfer, Telegraphic Transfer, Intelligent Remittance.
- Treasury management module: Provide FX rate enquiry services to manage risk in an ever-changing market of foreign exchange risks.
- Regional Liquidity Management module: Provide physical cash pooling services to achieve comprehensive and efficient working capital management.

## 11. ATM

- Easily withdraw or deposit cash in local currency for debit cards/credit cards issued by local banks or overseas banks.

## 18 Products and Services

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- Conveniently transfer fund to other bank's account or receive money from other bank's debit card through ATM of BOCT or other banks in Thailand.
- Instantly account balance check for saving and current accounts.

The Bank recognizes that effective risk management is essential for good banking governance. Accordingly, the Bank has established a framework for managing risk in each area of its business to ensure effective risk management mechanism. Over the past few years, the Bank has been continuously analysing the report to evaluate major risk factors that could affect its financial operations. Whenever it's necessary, BOCT will adjust its organizational structure and risk management processes accordingly. This is to ensure that its risk management system is effective and in line with international standards and the principles of Basel requirements.

The Board of Directors, the Risk Oversight Committee and the Senior Management play significant roles in setting up and reviewing the sufficiency of the risk management policy and system. They also approve the risk management strategy, monitor and control the Bank's risk to be at an appropriate level.

The Bank's risk management process comprises of:

- Assessment of risk framework which may potentially impact the Bank's business operations;
- Assessment of each type of risk;
- Make a plan for monitoring and controlling of risks to maintain at an appropriate level;
- Reporting the result of each type of risk management to the relevant parties so as to enable them to manage and/or handle the risks efficiently in a timely manner.

The major risks that may affect the operations of the Bank, as well as the Bank's management of these risks, are as follows:

### **1. Credit Risk**

Credit risk is the risk that a customer or a counterparty may be unable or unwilling to meet a repayment obligation. The extension of commercial credit by the Bank includes loans, advances, overdrafts, trade finance, treasury businesses and commitments, letter of guarantees, letters of credit, retail loan, housing loan, and credit card etc. The Bank's credit risk management process includes: independent due diligence investigation without any administrative intervention; scientific and objective risk review, taking both business developments and risk control in an acceptable level into considerations; credit approval based on strict decision-making discipline; and Accountability system of examination and follow-up evaluation.

**1.1 Structure and Responsibilities**

On the aspect of corporate business, Corporate Banking Departments (“CBD”) and branches are responsible for Credit Rating, Credit Analysis and Credit Proposal. Due Diligence Team of Risk Management Department is responsible for Due Diligence Investigation. Credit Assessment Committee is responsible for credit assessment. The CEO & Country Head is authorized by the Board of Directors of the Bank for credit approval according to the assigned authority level. Credit approval beyond the assigned authority shall be submitted to the Board of Directors for approval. For post-approval follow-up and monitoring, CBD and branches are responsible for annual review while Risk management Department shall be the counter-checker. Additionally, Credit Review Team who acts independently from Risk Management Department is also responsible for the annual credit examination.

On the aspect of retail banking, the Personal Digital Banking Department is responsible for expanding customer base of credit card business and mortgaged housing loan business. Collateral Appraisal Committee acts as an approver for appraisal value of housing collateral conducted by qualified appraisal firms.

**1.2 Scope and Nature of Risk Measuring, Monitoring and Reporting System**

According to group’s requirement, the Bank updated “Credit Granting Guideline” to enhance credit risk management. It further clarified the bank’s development plan, risk appetite, on-boarding criteria to meet the requirement from local regulator and BOCHK.

For new credit cases, CBD and branches conduct insight credit analysis to know the customer and to understand the market situation of the customer. CBD also conduct industry analysis as well as forward-looking analysis; Due Diligence Team, Credit Assessment Committee and the approver strictly implement credit screening process. The consideration covers customer financial and non-financial information, credit facility information, borrower’s history repayment record, collateral analysis, risk analysis, conclusion, and suggestion or justification in credit decision making.

BOCHK launched the RA Model (Internal credit rating model) to all Southeast Asean Countries (SEA) entities including Bank of China (Thai) in 2020 to replace previous KMV rating and ACM rating model. The more robust RA model includes Financial and Non-Financial Sub-Models which factor-in both regional and country specific characteristics and risk considerations. Moreover, RA Rating Model is developed by referencing to reputational rating methodologies

adopted by credit rating agencies and modelling consultants in market. The results from internal rating system are widely applied in different areas, including credit approval, risk monitoring, limit setting, credit policy, risk reporting and Expected Credit Loss (ECL) calculation under TFRS 9 which was implemented in January 2020.

BOCT continues to strengthen management over credit approval and credit rating, adhering to the principles and criteria of credit limits approval in order to ensure the quality of new credit assets. The management's policy to proactively withdrawal from high-risk customers is reinforced, and BOCT continues to emphasize on tightening the credit granting policy.

BOCT generally measures and manages the quality of credit risk-bearing assets based on the relevant rules and regulations of Bank of Thailand. In classifying credit assets, consideration was given to various factors that affect the quality of credit assets but always under the core criteria of the probability of asset recovery and the extent of loss. To obtain a loan's final risk classification, the Bank performs standardized processes according to the "Policy on Financial Assets and Commitments Classification and Impairment Provision" in terms of classifying, checking, reviewing and approving. BOCT strengthens risk monitoring and early-warning systems, reinforces major risk event reporting system, and reviews credit rating and conducts inspection of high-risk customers more frequently. The Bank also undergoes credit review and credit examination of credit business to scrutinize potential risks and actively implements rectification measures. Credit risk reports are also made to monitor the structure and concentration of credit risk, including asset quality, group limit control, country risk limit, loan portfolio, and concentration of industry.

For the retail business, BOCT has approval model for pre-loan investigation; on the other hand, BOCT develops Behaviour Assessment Model in order to strengthen the post loan management in terms of transaction monitoring.

### **1.3 Credit Concentration Risk**

Credit concentration risk is the risk incurred by undertaking huge exposure of lending, investment and other contractual commitments to any particular group/sector of customers that may have adversely impact to the bank's on-going operation.

The Bank manages credit concentration risk by controlling not to over-lending to any specific industry. Single Group concentration is controlled by limiting the exposure amount, investment

and other contractual commitments to any one borrower or any one project to no more than 25% of the Bank's total capital. The Bank also sets a limit on the business type of customers. This includes loan, investment and other contractual commitments to each specific customer that exceed 10% of the Bank's capital will be treated as large customers of the bank, whereby total exposure of each specific industry of large customers will not be allowed to exceed three times of the bank's the total capital.

As at December 31, 2021, groups of borrowers with exposure exceeding 10% of the Bank's capital had a combined exposure much lower than the specified limit under the policy. Although the Bank's lending to the manufacturing sector is considered at high level of total lending, it is well diversified among various subsectors. Moreover, the Bank regularly monitors its lending portfolio in order to maintain an appropriate level of loan diversification.

## **2. Market Risk**

Market risk means risk which may cause damage to the financial institution as a result of the volatility of the price or value of position including assets, liabilities and obligations held by the financial institution. Market factors which may affect such price or value are changed on interest rate, foreign exchange rate, equity price and commodity price. For BOCT, market risk arises from both trading and banking book positions. Trading risk exposures are mainly generated from customer-based FX position. BOCT applies the Standardized Approach on maintenance of capital for market risk calculation.

BOCT's market risk management is led and supervised by the Board of Directors, Risk Oversight Committee and Senior Management. The committee must ensure market risk taken is to be within a rational scope in accordance with risk-taking ability, monitoring ability, and management ability, supervise sources and usages of funds, cut down on passive mismatches and structural exposures, and strictly manage the structural exposures.

### **2.1 Structure and Responsibilities**

Global Market Department is the frontline business unit responsible for deal management and also to manage market risk exposure arising from their daily trading activities in order to ensure the used limit of market risk indicators are within the limit approved by the Board of Directors. Risk Management Department is the middle office responsible to independently monitor, control and report market risk following its reporting line. Financial Operation Department is the back-



office unit to manage market risk in the banking book and also responsible for trade settlement and to verify if trade information is completed.

Mark-to-Market is an important tool for daily risk monitor and control. In normal case, relevant data shall be directly quoted from the market. BOCT also ensures the overall procedure in collecting data to be independent for the business in order to avoid interest conflicts or data manipulation.

BOCT conducts transactions strictly in accordance with the bank's approval of counterparty credit line, conduct transactions for customers under credit line.

## **2.2 Procedure for Managing and Controlling Risks**

BOCT's market risk management is strict, reasonable, and reliable, so BOCT's market risk level is relatively low. In daily operation, BOCT maintains the current limits, improves the efficiency of position monitoring, controls the scope of derivative products, carries out new product prudently, adjusts interest rates if necessary, and improves the efficiency of utilization of funds.

## **2.3 Guidelines for Setting Risk Control Limits**

Currently, BOCT's market risk mainly comprises of foreign exchange rate risk and interest rate risk in Trading Book. In order to manage market risk, BOCT strictly implements a limit control mechanism composed by following indicators: (1) Credit limit with major counterparties, (2) FX exposure limit at end of each business day, (3) Profit/loss (P/L) limit and (4) Price value at basis point (PVBP).

Most of security investment is government bond for regulatory purposes. Duration is used to monitor the movement of bond prices. These risk indicators are being monitored on daily basis and quarterly reported to the Board of Directors.

## **2.4 Interest Rate Risk in Banking Book**

Interest rate risk in banking book is the risk or potential loss to earnings and economic value of the bank due to the change in interest rate. This interest rate risk arises from differences in the maturity and re-pricing dates of assets and liabilities. These mismatches are actively monitored and managed as part of the overall interest rate risk management process which is conducted in accordance with the bank's risk management policies.

### 3. Operational Risk

Operational risk refers to the risk of loss resulting from inadequate or failed internal process, people and system, or from external events, includes legal risk but excludes strategic and reputation risk. Operational risk exposures are managed through management processes that focus on risk identification, assessment, control and monitoring. Operational Risk Management framework is stipulated to consistently identifies and assesses specific operational risk points and ensure that the impact of operational losses could be minimized and controlled via the following process: identify and understand the business areas to be assessed and the business process; identify and assess the inherent risks; identify and assess adequacy and effectiveness the control of inherent risks; identify and assess residual risks; determine whether to accept the residual risks; determine the rectification plan for the unacceptable residual risks; monitor and report the accepted residual risks.

The Bank has placed great emphasis on operational risk management through the development of policies and tools to enhance operational risk management as a unified standard and has continuously improved this process over time. Great importance to Business Continuity Management (BCM) has been given to enhance the resilience and capability of responding to unexpected interruptions which are reviewed and tested on a regular basis.

#### 3.1 Structure and Responsibilities

All Business Units and staff is responsible to systematically manage operational risk according to the Bank's Three Lines of Defence and shall follow the rationales of comprehensive control, timely adjustment, matching cost with benefit, and accountability when risk arises from within its internal processes. The Bank has an effectiveness enhanced an effectiveness of operational risk assessment for products and services and incorporate strengthened daily monitoring at departmental and staff level in order to improve self-control capability.

In order to enhance an effective control environment, the Bank has adopted appropriate segregation of duties, dual control and cross reconciliation to avoid conflicts of interest, losses,

errors or other inappropriate actions. The Bank has also appointed key responsible person in each Business Units, to be responsible for daily Operational Risk Management issues. Whereas Legal & Compliance and Operational Risk Management Department is responsible for the overall planning of operational risk management directing, monitoring and assessing the work of operational risk management of the Bank.

Moreover, as part of the Bank crisis response plan, each Units has responsible person who ensure the continuity of key activities and report any unexpected situation to BCM Secretariat immediately according to the escalation process.

### **3.2 Scope and Nature of Risk Measuring, Monitoring, and Reporting System**

The Bank stipulated policy and measures of operational risks and control which cover all major operational risk points and each department shall monitor its operational risk management according to its regulation. BOCT also clarified the working process of operational risk accidents management, all operational risk accidents shall be reported and rectification measures shall be taken in time.

Operational Risk Management tools such as Risk and Control Assessment, Key Risk Indicator and Loss Data collection to enhance the capacity to identify, assess and monitor operational risk, implements clearly defined operational risk management reporting framework and improves the communication and integration of operational risk management information throughout the Bank. Reported Loss are recorded and risk that represent significant impact shall be closely monitored and reported to senior management and Risk Oversight Committee.

The Bank uses Group Risk Monitoring & Analysis Platform (GMAP) system, which covers business transaction activities of major business line and staff behaviors, and identifies risks by analyzing the event according to the risk warning modules.

On the other hand, in order to facilitate the development of high-quality financial products suitable for customers, all new and materially modified products of the bank are subject to go through a due diligence process and approval process. Besides, bank has risk assessment and monitor financial products properly.

Moreover, Business Continuity Management (BCM) has business impact analysis (BIA) and business continuity plan (BCP) of bank. Bank has annual drill to ensure for continuing the bank business in unexpected situation.

#### **4. Liquidity Risk**

Liquidity Risk is the risk caused by an inability to meet obligations when they come due because of an inability to obtain sufficient funds to meet funding needs at appropriate costs within a pre-specified time period, and/or to convert asset into cash, this may cause a malfunction.

Liquidity risk is continually analyzed and assessed to ensure adequate liquidity for business operations within an acceptable risk appetite and appropriate management cost.

Our efforts include a liquidity gap analysis covering normal and crisis situations. The impact analysis is conducted in three scenario cases, i.e. a bank's specific liquidity crisis, a market-wide liquidity crisis, and a combination liquidity crisis. The Bank has also adopted a Contingency Funding Plan (CFP) to mitigate the severity of impacts that may occur and test the plan at least once a year. In addition, the bank manages liquidity risk under Basel III i.e. Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

Regulatory requirements on Liquidity Coverage Ratio (LCR) took effect since 1<sup>st</sup> of January 2016. BOCT is required to maintain LCR at not less than 100% in 2020 and NSFR at not less than 100% starting from 1<sup>st</sup> of July, 2018.

#### **5. Other risks**

##### **5.1 Strategic Risk**

Risk associated with strategic initiatives may negatively impact the Bank's revenue, capital, and viability. Strategic risk arises from the inappropriate implementation of strategy and action plans; or formulation of plans that do not conform to crucial internal environments and/or external environments.

The Bank has a strategic risk management policy which consists of strategy formulation, implementation, evaluation and adjustment. The bank reports its business performance by comparing actual financial data against budget and the business performance forecast for upcoming 3-5 years to Strategy & Budget Committee on a quarterly basis.

The management regularly monitors strategies, business plan and implementation plan as well as the organisational structure to be aligned with internal and external environment and to mitigate strategic risk.

## **5.2 IT Risk**

BOCT implements the “Three Lines of Defence” management system for technology risk governance. Technology risk management exists in all business and operational processes of the Bank. In order to effectively control and mitigate technology risk, the Bank clearly defines the responsibilities of the Board of Directors, senior management, various departments/branches in the management of technology risk. Pursuant to the IT Risk Management Policy, the Bank categorizes technology risk management into several aspects. They are IT governance, information asset management, use of cryptography, security management, physical and personnel security, system development and change management, information processing, communications networks, management of service providers, cyber security controls and others. The Bank has established the technology risk management mechanism to identify, assess, monitor, control and report the technology risk. Nowadays, the cyber risk has become more various and critical which may impact to the security of the Bank’s and customers’ information. To enhance the strength of data protection, BOCT rolled out security technology to detect and defense the suspicious activity to ensure there is no unauthorized person to access to the Bank’s and Customers’ information.

## **5.3 Reputational Risk**

Reputational risk herein is a derivative risk, referring to the risk of negative impacts or losses on the Bank’s image, brand and reputation that are caused by media attention to or negative news coverage on BOCT’s business operation, management and other behaviours or external events involving BOC. Risk that the general public (e.g. customers, business partners, investors, regulatory authorities, etc.) will have a negative image or lose confidence in the Bank, resulting in an adverse impact to the Bank’s revenue and capital. Sources of reputational risk include non-conformance with code of conduct, social expectations, service standards, breach of agreement, poor customer service, etc.

The Bank does not engage in business activities that give rise to material levels of reputational risk.

### Performance Results

The bank has reported audited net profit of 250 million Baht in 2021, 268.14% increase of 182 million Baht from 68 million Baht recorded in 2020.

*Unit: Million Baht*

<i>Statement of Comprehensive Income</i>	<i>2021</i>	<i>2020</i>	<i>% Change</i>
<i>Net Interest Income</i>	965	762	26.63%
<i>Net Non-Interest Income</i>	500	451	10.92%
<b><i>Total Income from Operation</i></b>	<b>1,465</b>	<b>1,213</b>	<b>20.79%</b>
<i>Expenses from Operation</i>	843	836	0.85%
<b><i>Operating Profit</i></b>	<b>622</b>	<b>377</b>	<b>65.06%</b>
<i>Expected credit losses</i>	317	302	5.21%
<b><i>Profit before tax</i></b>	<b>304</b>	<b>75</b>	<b>305.51%</b>
<i>Corporate Income Tax</i>	54	7	668.13%
<b><i>Net Profit after Tax</i></b>	<b>250</b>	<b>68</b>	<b>268.14%</b>

In 2021 still be the unfavorable economic conditions in particular driven by uncertainty surrounding the COVID-19 situation. However, the good performance has been shown with net interest income increased to 965 million Baht, increased by 26.63%. The non-interest income amounted to 500 million Baht. The operating profit amounted to 622 million Baht, and the bank reserved the provisions related to expected credit losses in the amount of 317 million Baht for prudential purpose.

In 2021, net earnings per share for the bank amounted to 0.25 Baht.

**Financial Position***Unit: Million Baht*

<i>Key Items of Statement of Financial Position</i>	<i>2021 Balance</i>	<i>2020 Balance</i>	<i>% Change</i>
<i>Total Assets</i>	70,952	68,541	3.52%
<i>Loan to customers (Less deferred revenue)</i>	49,527	46,783	5.87%
<i>Interbank and money market in asset (Less deferred revenue)</i>	13,358	9,268	44.13%
<i>Total Liabilities</i>	60,542	58,319	3.81%
<i>Deposits</i>	44,605	47,094	(5.29%)
<i>Interbank and money market in liabilities</i>	11,937	7,383	61.68%
<i>Shareholder's Equity</i>	10,410	10,222	1.84%

Total assets as of 31 December 2021 were 70,952 million Baht which was increase of 3.52% from the prior year. Loan to customers net of deferred revenue were 49,527 million Baht or increase of 5.87% from the end of 2020. And interbank and money market were 13,358 million Baht or increase of 44.13% from the end of 2020.

Total liabilities as of 31 December 2021 were 60,542 million Baht which was increase of 3.81% from the prior year. Deposit items were 44,605 million Baht or decrease of 5.29% from the end of 2020. And the interbank and money market were 11,937 million Baht or increase of 61.68% from the end of 2020.

Shareholder's equity of the bank as of 31 December 2021 was 10,410 million Baht which increase of 1.84% from the end of 2020.

**Asset Quality**

At the end of 2021, the Bank's non-performing loans (NPLs) were amounted to 1,851 million Baht. The NPLs to total loan ratios before and after allowance were as following:

*Percentage (%)*

<i>Key Asset Quality Ratio</i>	<i>2021</i>	<i>2020</i>
<i>NPLs of total loans before allowance for expected credit losses</i>	3.04	3.23
<i>NPLs of total loans after allowance for expected credit losses</i>	1.34	1.63

### Capital Adequacy Ratio

As of 31 December 2021, the Bank had regulated capital fund of 12,445 million Baht consisting of tier-1 capital 10,119 million Baht and tier-2 capital 2,326 respectively. The BIS ratio stood at 19.72% of regulated capital fund per total risk assets.

	<i>Percentage (%)</i>	
<i>Capital Adequacy Ratio</i>	<i>2021</i>	<i>2020</i>
<i>Ratio of tier 1 capital to total risk weighted asset</i>	16.03	17.82
<i>Ratio of tier 2 capital to total risk weighted asset</i>	3.69	4.06
<i>Ratio of total capital to total risk weighted asset</i>	19.72	21.88

### Credit Rating

On 16 September 2021, Fitch Ratings (Thailand) has assigned BOCT a National Long-Term Rating of ‘AAA (tha)’, with a Stable Outlook. The National Short-Term Rating is assigned at ‘F1+(tha)’.



The Bank recognizes that Good Corporate Governance is a crucial factor in forming a basis of business sustainability and building trusts to its customers, as well as maintaining reputation of BOC Group. Thus, the Bank endeavours to establish and promotes the culture of Good Corporate Governance in conducting business by setting up appropriate organization structure, operational guidelines and responsibilities for good corporate governance and ensuring its operations strictly comply with relevant laws and regulations.

In order to sustain BOC Group's reputation, enhance the Bank's market position in Thai banking industry and achieve our strategic objectives, the Bank is committed to conducting its business with integrity and ethics in consideration of the environment, society and corporate governance. The Bank's Board of Directors recognizes that risk management and internal control is critical to achieve good corporate governance therefore sets up several board committees to supervise and oversee the Bank's operation in different sectors by professionals in each committee to screen matters, monitoring and make proposals and to the Board for efficient performance of the Board. The Board committees include the Audit Committee, the Risk Oversight Committee, the Strategy and Budget Committee and the Nomination and Remuneration Committee. These Committees must report their progress to the Board of Directors on a regular basis.

### **Board of Directors**

#### **Objective**

The Board is responsible, by law, for governing the Bank's business conduct, and responsible to all the Bank's stakeholders: customers, shareholders, employees, and the community. In addition, the Board commits to ensure that the Management, who is responsible for the day-to-day operation of the Bank, operates in the best interests of the Bank and its stakeholders by working to elevate corporate economic value of the Bank.

#### **Composition**

The Board of Directors shall be consisted of 8 members. As of 31<sup>st</sup> December 2021, there are members as follows:

- |                                  |                        |
|----------------------------------|------------------------|
| 1) Ms. Mok Tze Shan Teresa       | Non-executive Director |
| 2) Mr. Yin Rong                  | Non-executive Director |
| 3) Mr. Krish Follett             | Independent Director   |
| 4) Mr. Chaiyuth Sudthitanakorn   | Independent Director   |
| 5) Dr. Thiraphong Tangthirasunan | Independent Director   |

- |                      |  |
|----------------------|--|
| 6) Mr. Wang Hongwei* | Executive Director and<br>Chief Executive Officer & Country Head |
| 7) Mr. Wu Lin        | Executive Director   |
| 8) Ms. Xie Xia       | Executive Director   |

\* Mr. Wang Hongwei was Chairman of the Board of Director and non-executive director until 4<sup>th</sup> November 2021 and was appointed as Executive Director, and CEO & Country Head effective from 5<sup>th</sup> November 2021 replaced Mr. Li Feng.

### Duties and Responsibilities

The Board has duties and responsibilities for formulating important business strategies and policies, overseeing that the Bank has effective control, oversight and audit mechanism, and monitoring business undertakings on an ongoing basis so as to ensure that the Bank operates business fairly and transparently, and is responsible for the stakeholders under good corporate governance framework in accordance with laws and regulations as well as the instructions given by examiners, the Bank's Memorandum of Association, the Bank's Articles of Association and the shareholder's resolutions, which should cover the following:

#### 1. Strategy and Policy

- 1.1 Approve, monitor and review the overall business strategies of the Bank proposed by Management, as well as ensuring that the Bank places high priority on business sustainability and ESG practices.
- 1.2 Approve overall business plan, budget, capital planning, risk governance framework including risk appetite and/or important risk limits and policies as prescribed by the Bank of Thailand and other relevant regulators.
- 1.3 Approve key policies, procedures and measures of the Bank.
- 1.4 Approve any credit limit for an amount in excess of the delegated amount to the Chief Executive Officer.

#### 2. Compliance

- 2.1 Oversee that Management actions consistency in compliance with policies approved by the Board.
- 2.2 Oversee that the Bank has fair market conduct covering end-to-end process as prescribed by the Bank of Thailand.
- 2.3 Oversee and ensure that the Bank has a proper and efficient whistleblowing policy and procedure.
- 2.4 Review and, where permissible or required under applicable regulations, consider approval of connected transactions and related party credit limits as prescribed by relevant regulators.

- 2.5 Oversee and ensure the disclosure of significant corporate governance information to shareholders and regulators as well as the general public.
- 2.6 Oversee a delegation of authority to the Board committees, other lower level committees or Management according to the Board's resolutions.
- 2.7 Preside over the business in compliance with the Bank's Articles of Association, the Bank's Memorandum of Association, and the shareholder meeting's resolution as well as the instructions given by the examiners.
- 3. Organization and Corporate Culture
  - 3.1 Foster corporate culture, review and approve the Bank's statements of vision, mission, and oversee that there is building of risk culture and good ESG practices.
  - 3.2 Organize the Board and Board Committees in the way that promotes an efficient and strategic discussion.
  - 3.3 Establish a certain specialized committee to assist the Board to perform its oversight function effectively and to advise the Board on issues requiring specific and/or technical expertise, where the functions and responsibilities as well as the composition of such specialized committees shall be reviewed by the Board on an ongoing basis.
  - 3.4 Ensure that the Bank sets out effective systems for internal control and audit mechanism including the process for prompt submission of a management letter from external auditors as well as the suggestions from Management to the Board, where those documents shall be submitted to the Board within 4 months from the end of the accounting period, the delay otherwise requires an explanation from Management.
  - 3.5 Oversee that the Bank sets out a written corporate governance policy as well as internal code of conduct, code of business ethics, and code of ethics for directors, persons with power of management including employees.
  - 3.6 Oversee that the Bank sets out a conflict of interest policy to prevent any dealing for their own benefits or for those of their related parties, or to prevent conflict of interest issues, as well as failure to address significant risks or entering into transactions with related parties which may require special attention.
  - 3.7 Periodically assess the effectiveness of the Board own governance practices and performances, including nomination and election of the Board members and make use of the results for improvement, while the directors shall continuously obtain skills training required for their duties.

3.8 Select, monitor on performance and where necessary replace key Executives, while ensuring that the Bank has an appropriate plan for executive succession and that any intended successor(s) will be qualified, fit and proper to manage the affairs of the Bank on an ongoing basis.

3.9 Continuously review the internal structure of the Bank to ensure that there are clear lines of accountability for Management, where the Management shall report issues that require attention of the Board in a timely manner.

3.10 Ensure that the Bank's remuneration policy, benefit program and compensation of Senior Executives are appropriate and consistent with the Bank's strategic objectives and in compliance with relevant regulations, where the remuneration structure shall promote risk culture.

### **Audit Committee**

#### **Composition**

The Audit Committee (the "AC") is a standing Independent Director of the Board of Directors (the "Board"). As of 31<sup>st</sup> December 2021, there are 3 members as follows:

- |                                  |  |
|----------------------------------|--|
| 1) Mr. Krish Follett             | Chairman of the Audit Committee and Independent Director |
| 2) Mr. Chaiyuth Sudthitanakorn   | Independent Director                                     |
| 3) Dr. Thiraphong Tangthirasunan | Independent Director                                     |

The purpose of the AC is to assist the Board in fulfilling its oversight responsibility for BOCT relating to:

1. The integrity of financial statements and the financial reporting process;
2. The systems of internal control;
3. The performance of internal audit functions and internal auditors;
4. The appointment of external auditors and the evaluation of the external auditors' qualifications, independence and performance;
5. The periodic review, where appropriate, and the annual audit of the Company's financial statements;
6. Compliance with applicable accounting standards and legal and regulatory requirements on financial disclosures; and
7. Enhancing the corporate governance framework of the Company.

The function of the Audit Committee is oversight. The Management is responsible for the preparation, presentation and integrity of the financial statements. The external auditors are responsible for

planning and carrying out a proper audit of the Group's annual financial statements, for the review of half-yearly financial statements and (if appropriate) for performing agreed-upon procedures of quarterly financial results. Both the Management and the external auditors are ultimately accountable to the Audit Committee.

### **Duties and Responsibilities**

1. To review and monitor the effectiveness of the financial reporting processes.
2. To review and evaluate whether the Management is setting up internal control for all employees to understand their roles and responsibilities.
3. To review the reports submitted by internal audit and external audit, together with the Management's response to any identified weaknesses on internal control.
4. To review significant issues in accounting and financial reporting raised by internal and external auditors.
5. To review reports from regulators regarding legal and compliance matters that may have a significant impact on the financial standing and reputation, and ensure that the matters have been properly addressed and any significant impact of these issues is reflected in the financial statements.
6. To report conflict of interest transactions, fraud, corruption and internal control failure to the Board for further corrective actions, including non-compliance with related laws that have material effects on the financial position or performance as required by the Bank of Thailand and other regulators.
7. To report and update the Board of the AC's activities and consider other topics as defined by the Board, ensuring that the Board is aware of matters which may significantly impact the Bank's financial condition or business affairs and make appropriate recommendations.
8. To review and assess the adequacy of the corporate governance framework (including the roles and responsibilities of the Bank's other committees, where appropriate) to ensure its financial reporting, risk management and internal control meet governance standards.
9. To consider, select and propose the appointment of the Bank's auditors, including their remunerations.

**Risk Oversight Committee****Composition**

As of 31<sup>st</sup> December 2021, there are 6 members as follows:

- |                                  |   |
|----------------------------------|---|
| 1) Mr. Chaoyuth Sudthitanakorn   | Chairman of the Risk Oversight Committee and Independent Director |
| 2) Mr. Krish Follett             | Independent Director  |
| 3) Dr. Thiraphong Tangthirasunan | Independent Director  |
| 4) Mr. Yin Rong                  | Non-executive Director  |
| 5) Mr. Wang Hongwei*             | Executive Director  |
| 6) Ms. Xie Xia                   | Executive Director  |

\* Mr. Wang Hongwei has been the member of ROC replacing Mr. Li Feng from 5<sup>th</sup> November 2021

**Duties and Responsibilities**

1. To propose to the Board policies for overall risk management, including major risks such as credit risk, market risk, liquidity risk, operational risk, information technology risk, compliance risk, AML risk and other significant risks facing by the Bank.
2. To advise the Board on risk appetite/ risk tolerance and strategy for the Bank.
3. To supervise capital and liquidity management strategy to comply with the acceptable risk level.
4. To recommend the risk limits for Board's approval, in alignment with the Board's risk appetite.
5. To formulate strategies that are consistent with the risk management policy and which can assess, monitor, and ensure that the Bank's risks are at appropriate levels.
6. To review and monitor risks and risk management practices, including internal control, compliance and AML systems and processes, and ESG practice.
7. To review adequacy and effectiveness of overall risk management policy and strategy, including risk appetite at least annually or when having material change. The ROC should consult or exchange opinion with the Audit Committee (AC) to assess the Bank's risk management policy and strategy covering every risk type.
8. To report to the Board on the matters pertaining to risk exposure, efficiency of risk management, risk culture, including the important factors and/or problems of which required rectifications to meet the Bank's risk management policies and strategies.
9. To give opinion or participate in evaluating performance of Head of Risk Management function.

10. To perform other duties and responsibilities as assigned by the Board or regulation requirements.

### **Strategy and Budget Committee**

#### **Composition**

The Strategy and Budget Committee is to assist the Board in fulfilling its oversight responsibilities in strategic direction of the bank in order to align with the parent company. The purpose and function of the Committee is oversight of the Bank's medium to long-term strategy plan, budget control and other major strategic decisions and assigned business operation report

As of 31<sup>st</sup> December 2021, there are 5 members as follows:

- |                                  |                      |
|----------------------------------|----------------------|
| 1) Mr. Krish Follett             | Independent Director |
| 2) Mr. Chaiyuth Sudthitanakorn   | Independent Director |
| 3) Dr. Thiraphong Tangthirasunan | Independent Director |
| 4) Mr. Wang Hongwei*             | Executive Director   |
| 5) Ms. Xie Xia                   | Executive Director   |

\* Mr. Wang Hongwei was Chairman of the Strategy and Budget Committee until November 4, 2021 and remains a member of the Strategy and Budget Committee

#### **Duties and Responsibilities**

1. SBC shall Consider, with input from the Management, the medium to long-term strategic plans of the Bank to the Board for approval.
2. SBC shall work with the Management to develop a strategic plan based on the targets to be achieved within given timeframe specified and provide guidance to the Management as appropriate.
3. SBC shall ensure that the process of formulating the Bank's medium to long-term strategic plan is sufficiently robust, which also takes into account a range of alternatives. After evaluating the strategic plans in terms of feasibility and cost-benefit analysis, SBC shall prioritize the plan and present to the Board for approval.
4. SBC is responsible for reviewing, monitoring, updating the Bank's medium to long-term key strategic plans on a timely basis to the Board for approval.
5. SBC shall timely review and monitor the Bank's business plan and financial budget-over medium to long-term strategic plan including capital planning as formulated by Management to the Board for approval on a regular basis (including annual review).

6. During the process of formulating the Bank's annual business plan and financial budget, the Committee shall engage in proactive communication with Management to ensure that the plan and budget can be achieved according to the pre-determined targets.
7. SBC shall monitor the implementation of the annual business plan and financial budget. In case of significant deviation from the business plan and financial budget, SBC shall request the Management to identify and analyze the underlying reasons and to present solutions for the problem to SBC for consideration prior to submit to the Board for approval.
8. With regard to opportunities for new business model, significant merger & acquisition and equity participation, SBC shall review and make recommendations to the Board on proposal presented by the Management
9. SBC is responsible for making recommendations to the Board on proposed major capital expenditure, major investments, operational improvement and strategic commitments and bank transformation by Management and monitoring their implementation.
10. SBC is responsible for supporting the Board of Director to oversee bank-wide sustainable development, including ESG policy, monitoring business operations and implementation on Environment, Social and Governance (ESG).
11. SBC shall review written reports submitted by Management which fall within the responsible of the Committee.
12. If necessary, SBC may propose establishment of a special sub-committee and/or delegate its authority to sub-ordinated management to the Board for approval.
13. Other duties and responsibilities assigned by the Board.

### **Nomination and Remuneration Committee**

#### **Composition**

As of 31<sup>st</sup> December 2021; there are 3 members as follows:

- |                                  |  |
|----------------------------------|--|
| 1) Dr. Thiraphong Tangthirasunan | Chairman of NRC and Independent Director |
| 2) Mr. Krish Follett             | Independent Director                     |
| 3) Mr. Chaiyuth Sudthitanakorn   | Independent Director                     |

Mr. Wang Hongwei was a member of Nomination and Remuneration Committee until 4 November, 2021

#### **Duties and Responsibilities**

The authorities, duties, and responsibilities of the Nomination and Remuneration Committee are as follows:

1. Nomination



- 1.1 To formulate policies, guidelines, and methods for selection of candidates for directors and persons with power of management for the Board's consideration and appointment, and such submit policies to the Bank of Thailand upon request.
  - 1.2 To select and nominate qualified candidates for the following positions to the Board:
    - 1.2.1 Directors
    - 1.2.2 Members of the board committees whose duties, responsibilities, and authorities are directly assigned by the Board.
    - 1.2.3 Persons with power of management i.e. Senior Executive Staff Level (Executive Vice President and above)
    - 1.2.4 Advisors of BOCT
  - 1.3 To recommend the size and composition of the Board that is appropriate for the Bank's organization and the dynamic business environment. Board members shall possess appropriate expertise and experience in diverse fields. NRC must oversee that there is a mechanism or tools to support a process for selecting or nominating candidates for directors such as a skill matrix that is necessary for the Board and Board Committees.
  - 1.4 To disclose the nomination policy and details of nomination process in the Bank's annual report.
  - 1.5 To ensure that the Bank has in place a proper succession and manage continuity plan for the position of CEO and person with power of management that typically would require the Board approval.
  - 1.6 To provide professional expertise across a diverse range of job/position framework and support greater understanding and enhance visibility of career paths upon job/position framework.
  - 1.7 To deliver professional consultancy involving the integration of Bank's organization structure, processes and people to support implementation of strategy in order to enhance the most important outcomes and channel BOCT's efforts into achieving them.
  - 1.8 To approve the revision of Code of Conduct which shall be endorsed by Executive Committee
2. Remuneration
- 2.1 To formulate clear and transparent remuneration and other benefit policies as well as remuneration packages and benefits for directors and persons with power of management that reflect the objectives, duties and responsibilities, relevant risks for the consideration and approval of the Board.

- 2.2 To ensure that directors and persons with power of management's remuneration packages are commensurate with their duties and responsibilities. Directors who have been assigned additional duties and responsibilities should be compensated accordingly.
  - 2.3 To set out performance assessment criteria for directors and persons with power of management for annual remuneration review, by taking into account their responsibilities and relevant risks, while emphasizing the value added to long-term shareholders' interest.
  - 2.4 To review performance target and criteria for directors and persons with power of management that typically would require the Board approval.
  - 2.5 To disclose the remuneration policies and various forms of remuneration packages and the remuneration report that must, at least contain details of factors used for assessing the overall performance, objectives and operations, as well as opinions of the committee, methods and tools for determining remuneration packages that respond to relevant risks (if any) to be disclosed in BOCT's annual report.
  - 2.6 To work closely with the risk oversight committee to ensure that the remuneration policy can reflect important risks facing BOCT.
3. Others
- To perform other duties and responsibilities as assigned by the Board or duly performs all prescribed tasks required by the Bank of Thailand and corporate governance practices. NRC may seek professional advice from external council as necessary at expense of BOCT.

## Summary of attendance numbers of meetings held by Board of Directors and Sub-Committees in 2021

Meeting in 2021	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Strategy and Budget Committee	Risk Oversight Committee
	<i>Attendance/Number of Meetings</i>				
Ms. Mok Tze Shan Teresa	7/7	-	-	-	-
Mr. Yin Rong	6/7	-	-	-	8/8
Mr. Krish Follett	7/7	5/5	6/6	4/4	8/8
Mr. Chaiyuth Sudthitanakorn	7/7	5/5	6/6	4/4	8/8
Dr. Thiraphong Tangthirasunan	7/7	5/5	6/6	4/4	8/8
Mr. Wang Hongwei <sup>(2)</sup>	7/7	-	5/6	4/4	2/8
Mr. Wu Lin	6/7	-	-	-	-
Ms. Xie Xia	7/7	-	-	4/4	8/8
Mr. Li Feng <sup>(1)</sup>	6/7	-	-	3/4	6/8

*Remark:*

\* Number of Meetings defines the number of meeting of Board of Directors and/or sub-committee for each Director during his/her Directorship

(1) Mr. Li Feng resigned on 4<sup>th</sup> November 2021;

(2) Mr. Wang Hongwei was Chairman of the Board of Director, Chairman of Strategy and Budget Committee and member of Nomination and Remuneration Committee until 4th November 2021 and remains the Executive Director, member of Strategy and Budget Committee and was appointed as, CEO & Country Head, and member of Risk Oversight Committee effective from 5th November 2021;

*Note:*

- Mr. Yin Rong and Ms. Mok Tze Shan Teresa is a non-executive director who does not have residence in Thailand.

- Mr. Yin Rong joined the Risk Oversight Committee no. 1/2021 on 4 February 2021, no.2/2021 on 17 March 2021, no.3/2021 on 12 May 2021, no.4/2021 on 11 June 2021, no.5/2021 on 13 August 2021, no.6/2021 on 15 September 2021, no.7/2021 on 10 November 2021 and no.8/2021 on 3 December 2021 via video conferencing.

- Mr. Yin Rong joined the Board of Directors no. 1/2021 on 24 March 2021, no.2/2021 on 22 April 2021, no.3/2021 on 17 June 2021, no.4/2021 on 13 August 2021, no.5/2021 on 23 September 2021, no.6/2021 on 4 November 2021 and no.7/2021 on 17 December 2021 via video conferencing.

- Ms. Mok Tze Shan Teresa joined the Board of Directors no. 1/2021 on 24 March 2021, no.2/2021 on 22 April 2021, no.3/2021 on 17 June 2021, no.4/2021 on 13 August 2021, no.5/2021 on 23 September 2021, no.6/2021 on 4 November 2021 and no.7/2021 on 17 December 2021 via video conferencing

**Remuneration and Incentive Policy**

The Bank's Remuneration and Incentive Policy is closely linked to the performance of the Bank, the business units (including bank and department level) and individuals' target achievement in KPI as well as employees' enhanced risk awareness in alignment with BOC Group's core value of "Strive for

Performance”. Remuneration packages and benefits for directors and persons with power of management shall reflect the objectives, duties and responsibilities, and relevant risks, where the practices contain clear and transparent criteria.

### Directors' Remuneration for Year 2021

The directors' remuneration is comprised of Retaining Fee, Committee Fee and Attendance Fee as per table below whereby the directors who are BOCT's executives and the representative directors from BOCHK, excluding Chairman of the Board of Directors (BOD) position shall not receive the directors' remuneration.

THB

	Chairman of BOD	Independent Director
<b>Retaining Fee (per year)</b>	960,000 (80,000 x 12 M)	960,000 (80,000 x 12 M)
<b>Committee Fee (per year)</b>	--	100,000
<b>Attendance Fee (per meeting)</b>	--	Chairman of Board Committee: 20,000 Member of Board and Board Committee: 12,000

Note: Board Committees: Audit Committee (AC), Nomination and Remuneration Committee (NRC), Strategy and Budget Committee (SBC) and Risk Oversight Committee (ROC).

### Director's remuneration for year 2021 are as following:

No.	Director's Name	Position	***Meeting Attendance Fee (29 times)	Committee Fee	Chairman of the Sub-Committee	Total remuneration /Person/Year
1*	Mr. Wang Hongwei	Chairman	-	810,666.67	-	810,666.67
2	Mr. Krish Follett	Independent Director	388,000.00	960,000.00	100,000.00	1,448,000.00
3	Mr. Chaiyuth Sudthitanakorn	Independent Director	412,000.00	960,000.00	100,000.00	1,472,000.00
4	Dr. Thiraphong Tangthirasunan	Independent Director	388,000.00	960,000.00	100,000.00	1,448,000.00
5**	Mr. Li Feng	Director	Executive Directors in Thailand shall not receive Director's remuneration from Bank of China (Thai) Public Company Limited.			
6	Mr. Wu Lin	Director				
7	Ms. Xie Xia	Director				
8	Ms. Mok Tze Shan Teresa	Director	The Representative Directors from Bank of China (Hong Kong) Limited shall not receive Director's remuneration from Bank of China (Thai) Public Company Limited.			
9	Mr. Yin Rong	Director				

Remark:

*\*No. 1 Resigned from Chairman of The Board of Directors on November 4, 2021 which he still holds position of Director (Executive Director)*

*\*\*No. 5 Resigned from Director on November 4, 2021*

### **Executives' Remuneration for Year 2021**

The total remuneration amount of 5 Executives in year 2021 is THB 51.87 million.

### **Dividend Payout Policy**

Referring to Articles of Association of BOCT, the Bank shall pay the dividends under the conditions:

1. Dividends shall not be paid other than out of profits. If the Company still has an accumulated loss, no dividends shall be distributed.
2. The Bank should not pay dividend from unrealized profits or profits without real cash flow.
3. The Bank should not pay dividend from gains from sale of assets not considered a true sale which would result in higher-than-normal profit or lower-than-normal losses.
4. The Bank should not pay dividend or return to the shareholders if it has not yet derecognized assets or set aside provision for assets and commitments in full.
5. Unless otherwise specified by the Articles of Association regarding preferred shares, dividends shall be distributed according to the number of shares, with each share receiving an equal amount. Payment of dividends shall be approved by the shareholder meeting.
6. The Board of Directors may pay interim dividends to the shareholders from time to time if the board believes that the profits of the Company justify such payment. After the dividends have been paid, such dividend payment shall be reported to the shareholders at the next shareholder meeting.
7. Payment of dividends shall be made within 1 (one) month of the date of the resolution of the shareholder meeting or of the meeting of the board of Directors, as the case may be. The shareholders shall be notified in writing of such payment of dividends, and the notice shall also be published in a newspaper.

### **External Auditors**

PricewaterhouseCoopers ABAS Limited

15<sup>th</sup> Floor Bangkok City Tower, 179/74-80 South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 Thailand

#### ***Name of statutory auditors***

- |                                |   |
|--------------------------------|---|
| 1. Ms. Sakuna Yamsakul         | Certified Public Accountant (Thailand) No. 4906 |
| 2. Mr. Boonlert Kamolchanokkul | Certified Public Accountant (Thailand) No. 5339 |
| 3. Ms. Sinsiri Thangsombat     | Certified Public Accountant (Thailand) No. 7352 |

***Remuneration of Auditors***

The audit fee of the Bank for the year ended 31<sup>st</sup> of December 2021 was THB 3,650,000 plus out-of-pocket expenses. The summary of audit professional services required as following:

<b>Items</b>	<b>Baht</b>
1) For the six-month period ended 30 June 2021	2,100,000
2) For the year ended 31 December 2021	1,550,000

1. BOCT actively promotes communication policy between China and Thailand. BOCT maintains cooperation and communication with Thailand's Ministry of Finance, Ministry of Commerce, Ministry of Health, The Office of SME's Promotion, Chinese General Chamber of Commerce, and various business associations, Signed strategic cooperation agreements with Bank of Agriculture and Agricultural Cooperatives, etc. To continuously enhance the popularity of the BOC brand in Thai market; in-depth cooperation with large customers such as CP Group, Petroleum Authority of Thailand, Central Group, etc., which are influential in this region, through high-quality comprehensive services to achieve the group's integrated sustainable operation and more coordinated development.





2. BOCT actively promotes the internationalization of RMB. BOCT actively implements the key strategies of the Group, guides three types of institutions in Thailand to invest in the Chinese capital market, promotes the internationalization of the RMB, and promotes the selection of BOC Hong Kong as a qualified foreign exchange counterparty by the Bank of Thailand, and signs a cross-border RMB strategic cooperation agreement with BAAC Bank of Thailand. It was the first in Southeast Asia to launch a direct quotation trading platform for RMB against Thai baht, becoming the first local CNH/THB direct quotation transaction bank. Taking the opportunity of RCEP to strengthen communication and publicity policy, the cross-border RMB trade of agricultural products has made outstanding contributions, and the settlement volume has reached 5.1 billion RMB. Actively advised the People's Bank of China to facilitate the official release of the "Thai-China Rayong Industrial Park Cross-border RMB Facilitation Work Plan".





3. BOCT implements the new development concept, serves high-quality services for business opening-up, and supports the convening of the China International Import Expo for four consecutive years. In 2021, BOCT invited the CIIE online meeting for Thai enterprises to participate which can connect Chinese and Thai enterprises to share the new opportunities of China's opening up. At this CIIE, BOCT facilitated more than 50 Thai companies to conduct "one-to-one" negotiations with nearly 100 Chinese merchants through online platforms. The amount of cooperation intentions is hundreds of millions of dollars. Contribute to BOC's development in the direction of business opening-up, inclusiveness, opportunities equality, and balance win-win results.



4. BOCT adheres to technology leadership and consolidates the foundation for digital transformation. In 2021, the iGTB corporate trading platform, Promptpay service for corporate customers, FXALL foreign exchange trading platform, etc. is launched. The online transaction volume of corporate customers substantially increased from previous year. The growth of mobile banking transactions ranks number one in Southeast Asia. BOCT promotes smart operation and branch transformation, including cease operation of two low-efficiency branches in a timely manner, and the annual cost-to-income ratio gradually decreased.



5. BOC Thailand implements the concept of ESG development and supports green finance. Actively study the characteristics of Sino-Thai trade, focus on target customers in key industries such as fruit, rubber, cassava, etc., carry out precise marketing, and achieve remarkable results in the expansion of cross-border trade customer base and cross-border financial services. Support green finance, assume social responsibilities, support the development of non-coal new energy, waste-to-energy and other projects, and cooperate with BOC Hong Kong to promote US\$500 million ESG syndicated loan project.



6. BOCT focuses on the “Belt and Road Initiative” initiative to assist large-scale infrastructure projects in Thailand. Laem Chabang Port Terminal Phase III PPP project is undertaken by the GPC joint venture formed by the Port Authority of Thailand, Gulf Energy, PTT Tank and China Harbour Company. BOCT has designed a bridge loan, letter of guarantee, cash management, and foreign exchange value preservation for the project. The comprehensive financial service solution in the project facilitates the smooth signing of the project contract, and demonstrates the brand image of Bank of China as the preferred service bank for the Belt and Road project contracting.





7. BOCT fully supports the Thai people in their fight against the epidemic. After donated anti-epidemic materials to the Thai government in 2020, BOCT once again donated 1 million baht of anti-epidemic funds to the Thai Red Cross in 2021. BOCT's BCP contingency plan was adjusted according to the situation to ensure the physical health and mental health of employees, and ensure that the operation is smooth and safety. BOCT has paired up with 17 state-owned enterprises, united and shared resources, and helped more than 200 employees of Chinese enterprises to participate in the vaccine plan of the Chinese government in a timely manner. BOCT actively responded to the Bank of Thailand's Relax Measures on supporting corporate and individual customers who are affected by the epidemic.



8. BOCT was recognized and awarded by the Business and Thai society. In recent years, BOC Thailand has actively integrated into the new dual-cycle development pattern, green finance, closely focused on "14th Five-Year Plan" which is the Group's strategic plan, including Bank of China's professional in the cross-border field and global service have been widely praised by Thai government agencies and all sectors of society. BOCT won the "Best Cross-border Service Bank in Thailand 2021" in the award of "Best Company in Thailand 2021" hosted by Thailand's Business Plus, becoming the first Chinese financial institution which receive this honor.



**1. Mr. Wang Hongwei****CEO & Country Head and Director (Executive Director)****Date of Appointment: November 5, 2021****(Served Chairman of Board of Director from 20<sup>th</sup> March 2020 until 4<sup>th</sup> November 2021)**

Aged 59, is the Chairman of the Board of Directors of BOCT since March 2019 until 4th November 2021. Since joining BOC in 1983, He has assumed various positions at Bank of China Dalian Branch and overseas branch. He served as Deputy Manager and became Manager of BOC London Branch from 1999 to 2003; Deputy General Manager of Corporate Banking Department and became General Manager of e-Banking Department in BOC Liaoning Branch from 2003 to 2007; Branch Manager in BOC Yingkou Branch from 2007 to 2010; General Manager of BOC Zambia Ltd. from 2010 to 2012 and Chief Executive Officer of BOC Malaysia Berhad from January 2013 to March 2019. He holds a Master's degree in Business Administration from Dongbei University of Finance and Economics in 2004 and graduated with a bachelor's degree in Business Management (Economics, Foreign Trade and Economy) from Dalian Radio and TV University in 1987.

Position in Other Companies

-None-

**2. Mr. Wu Lin****Director (Executive Director)****Date of Appointment: November 30, 1994**

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Aged 50, is a Director and Executive Vice President of BOCT. He joined BOC since 1994 started at Shandong Dezhou Branch where he has gained in-depth experience in banking business in charge of particularly in managing large corporate business group. In 2016, he transferred to BOCT in charge of overseeing Corporate Business. Mr. Wu obtained Bachelor's Degree in Economics in Enterprise Management from Nanjing University in 1994 and Master's Degree in Business Administration in Finance from City University of London (UK) in 2015.

Position in Other Companies

-None-



**3. Ms. Xie Xia****Director (Executive Director)****Date of Appointment: October 1, 2020**

Aged 50, is the Director of the Board of Directors of BOCT since October 2020. She has extensive working experience in the banking industry especially in the corporate banking. She started working at the Bank of China, Head Office since 2000 as a staff member in Business Department. She was appointed to be Director, Dispose of Project Accountability Review Team of Credit Execution Module of Risk Management Headquarters from May 2012 to July 2014, and Director of the Credit Management Department from July 2014 to September 2015. She held the Director, Accountability Review Team of Credit Management Department from September 2015 to December 2020. With her knowledge, competence, and experience, she became qualified for the management of the whole business line and risk management of corporate banking. Ms. Xie obtained her Bachelor's degree in Engineering Surveying in 1992 and Master's degree in Management Science and Engineering in 2000 from University of Petroleum.

**Position in Other Companies**

February 2021 - Present

Executive Director, China Bridge Group (Thailand) Co., Ltd.

**4. Mr. Ying Rong****Director (Non-Executive Director)****Date of Appointment: March 13, 2020**

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Aged 57, is the Director of BOCT since March 2020. He first started his career with Bank of China at Sichuan Branch since 1990. From April 2003 to February 2009, he was appointed as Manager of Application Development Division for America Data Center of Bank of China. From February 2009 to March 2010, he was appointed as Manager of IT Department and from March 2010 to February 2014, he was appointed as the Deputy General Manager of Software Center of Bank of China. Since February 2014 to present, he holds the position of Deputy General Manager of IT Department of BOCHK. Mr. Yin graduated with a Bachelor's degree in Software Engineering at Beihang University in 1987, obtained his Master's degree in Business Administration at Sichuan University in 2004, and his Master's degree in Business Information System at Baruch College, The City University of New York in 2008. His extensive knowledge in technology risk management, IT administration, and application development has helped create the most advanced and sophisticated IT strategies to the Bank.

Position in Other Companies

-None-

**5. Ms. Mok Tze Shan Teresa****Director (Non-Executive Director)****Date of Appointment: March 13, 2020**

Aged 57, is the Director of BOCT since March 2020. She has started her career in the banking industry since 1990 with solid working experiences in various well known international financial institutions. Prior to join BOCHK, she was Managing Director, Chief Operating Officer Institutional Banking Group, DBS Bank (HK) Limited from March 2012 to May 2017. She has been appointed to be General Manager, Corporate Credit Risk, Risk Management Department, BOCHK since February 2019. She graduated with a Bachelor's degree in Commerce at University of Alberta, Canada in 1987 and then later obtained her Master's degree in Business Administration at The Chinese University of Hong Kong in 1990. With her exposure with various international banks in marketing, credit risk, and operations management, her knowledge, competence, and experience will help oversee the corporate credit portfolio management for the Bank. As well as the formulation of credit policies, credit review and credit monitoring and reporting to ensure the quality is consistent with Bank's risk appetite and achieve Bank's target levels.

Position in Other Companies

-None-

**6. Mr. Krish Follett****Director (Independent Director) and Chairman of Audit Committee****Date of Appointment: August 26, 2014**

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Aged 73, is an Independent Director of BOCT since 2014 without shareholding in the Bank. From 1971 to 2009, he had held various positions in the Bank of Thailand i.e. Assistant Governor, Senior Director of IAD, Senior Director of On-site Examination 1 Department, Director of Modernization Program Office, Director of North-eastern Region Office, Assistant Director of Payment System Department, and Division Chief of Special Investigation Team. He obtained his Bachelor's Degree in Economics, and Master's Degree in Business Administration in Finance from Thammasat University. He also obtained Certificate in Advanced Management Program from Business School of Harvard University.

**Position in Other Companies****2012 – Present**

Independent Director and Chairman of the Risk Management Committee, Thai Wacoal Public Company Limited

**2017 – November 2020**

Resigned from Independent Director, Chairman of Audit Committee and Chairman of Risk Management Committee, Do Day Dream Public Company Limited since 19 November 2020

**7. Mr. Chaiyuth Sudthitanakorn****Director (Independent Director) and Chairman of Risk Oversight Committee****Date of Appointment: June 12, 2015**

Aged 72, is an Independent Director of BOCT since 2015 without shareholding in the Bank. Currently, Mr. Chaiyuth Sudthitanakorn serves as Senior Advisor of TEAM Consulting Engineering and Management Co., Ltd since 2014. From 1977 to 2009, Mr. Chaiyuth Sudthitanakorn held various positions in the Ministry of Finance i.e. Director of Bureaus of Tax Policy, Financial System Policy, and International Economic Policy. From 2009 to 2012, he was also the Executive Director, the Chairman of Ethics Committee, member of Audit Committee, member of Compliance and Review Committee, and member of Pension Committee of the Asian Development Bank, Manila, Philippines. He was also a representative of Ministry of Finance in Board of Directors of SOEs i.e. Forest Industry Organization, Marketing Organization for Farmers, Agricultural Futures Exchange of Thailand during 1997 to 2003, and a member of Board of Directors of Government Housing Bank from 2006 to 2009. Mr. Chaiyuth holds a Master Degree of Public Administration (Management Program) from National Institute of Development Administrative and Bachelor of Science in Agricultural Economics from Kasetsart University.

Position in other companies

-None-

**8. Dr. Thiraphong Tangthirasunan****Director (Independent Director) and Chairman of Nomination and Remuneration Committee****Date of Appointment: December 17, 2018**

Aged 70, is an Independent Director of BOCT since 2018 without shareholding in the Bank. He is also an Advisor of Business Administration, Faculty of Kasetsart University, Yunus Center Social Business, Kasetsart University and Eternal Energy Public Company Limited. Dr. Thiraphong Tangthirasunan has expertise in banking business with solid background from the Bank of Agriculture and Agricultural Cooperatives (BAAC). He had extensive experience and was appointed to various positions at BAAC, for example, Managing Director and Secretary to the Board, Senior Vice President Information Technology, Director Agri-business Promotion Division, etc. Furthermore, he was also actively involved in group activities regarding community, economics and culture as he used to serve as Acting Managing Director of Thai Farmers Business Promotion Co., Ltd., Chairman of Asia-Pacific Rural and Agricultural Credit Association (APRACA), Appointed Member, Senior Advisor of Kasetsart University Council and BAAC Commissioner for the amendment of the BAAC Act, and Labour Commission Advisor for the Standing Committee of the House of Representatives. He graduated from Kasetsart University, with a Bachelor's Degree in Marine Science, and obtained his Master's Degree in Agribusiness from University of Philippines at Los Banos. He also obtained an Honorary Doctoral Degree in Rural Planning and Development from Maejo University.

**Position in other companies**

2019 – Present

Executive Director, Khoontadwai Smart Community Co., Ltd.

**The Executive List**

- |                      |   |
|----------------------|---|
| 1) Mr. Wang Hongwei  | Chief Executive Officer & Country Head and Director |
| 2) Mr. Wu Lin        | Executive Vice President and Director               |
| 3) Ms. Xie Xia       | Executive Vice President and Director               |
| 4) Ms. Liu Guizhen   | Executive Vice President                            |
| 5) M.L. Ayuth Jayant | Chief Compliance Officer and Company Secretary      |

**General Manager of Audit Department**

- |                               |  |
|-------------------------------|--|
| 1) Ms. Varaporn Liewchirakorn | Appointed on 23 <sup>rd</sup> April 2021 |
|-------------------------------|--|

**The Executive Committee**

The Executive Committee has been established to discharge the responsibilities of the Board of Directors relating to the transaction and business routine, administrative matters, including administrative matters and regularly reports the performance to the Board of Directors.

The Executive Committee is comprised of five Executive appointed by the Board of Directors. CEO is the Chairman of the Executive Committee.

The Executive Committee is responsible to formulate and propose to the Board of Directors the business strategy, business structure, operating principle, financial goals, business plan (in short/medium/long term), including the annual budget and profit of the bank, and is responsible for their execution. The Committee shall consider, follow up, monitor and approve matters related to the business of the Bank according to the Bank's regulations including Bank strategy, organization structure and human resources, budget, investment, financial report, crucial matters such as new business, channel distribution, liquidity crisis, internal audit and regulatory audit reports, and other tasks delegated by the Board of Directors.

### **Audit Committee Report for the year 2021**

The Audit Committee of Bank of China (Thai) Public Company Limited comprises of three independent directors. They are knowledgeable in various fields, namely strategic formulation, risk management, accounting and finance, rules and regulations, corporate governance, human resource management, and risk based-audit.

#### **Duties and Responsibilities**

The Audit Committee's charter, which was approved by the Board of Directors, stipulated the roles, authority, duties and responsibilities of Audit Committee in accordance with the Bank of Thailand ("BOT")'s notifications and the Securities and Exchange Commission Thailand ("SEC")'s regulations.

The Audit Committee is responsible for oversight risk management of the Bank's management and operations in order to assure that transparency and fairness can be achieved for the confidence of shareholders, investors, and stakeholders.

In year 2021, the Audit Committee held five meetings and made the recommendations to Board of Directors as follows;

#### **1. Financial Reporting Review**

The Audit Committee has reviewed and discussed with the external auditor on the audited financial statement for the six months and annual as well as considered the quarterly financial status and analysis on important issues of the financial status with the management to ensure that the preparation of financial statements and disclosure of important information was accurate, complete and reliable in accordance with the Bank of Thailand's Accounting and Financial Reporting Standards.

In year 2021, the Audit Committee held two meetings with the external auditors without the Bank's management to discuss the independence of the analytical and certification of the auditors and restrictions or limitations in performing their duties and acknowledge opinions and any concerns arising from their audit program.

#### **2. Internal Control, Good Corporate Governance, and Risk Management**

The Audit Committee annually considers approval of the risk-based audit plan, which covers important aspects as risk-based audit engagements, including mandatory audit engagements required by relevant regulators.



In addition, the Audit Committee has reviewed and assessed the Bank's internal controls systems, internal audit's activities, risk management and relevant managements plan. To ensure their adequacy and effectiveness, they supervised and monitored the internal audit's activities as well as the rectification status of external and internal auditor's findings.

Besides, the Audit Committee assesses the efficiency and effectiveness of the performance of the Head of Audit Department.

In year 2021, the Audit Committee annually reviewed the risk management, strategic plan and internal control assessment outcome and recommended good practices to ensure that comprehensive internal control have been established and the risk exposure are at an acceptable level.

The Audit Committee assured that the Bank has supervised and monitored to ascertain that all business units complied with relevant rules and regulations.

### **3. Legal and Regulatory Compliance**

The Audit Committee approved the annual audit plan prior Internal Audit Department to review the Bank's operation to ascertain compliance with requirements and laws relevant to the banking business, which are the Bank of Thailand Announcement, the Public Limited Companies Act B.E.2535 (1992), the Securities and Exchange Act B.E.2535 (1992), and other requirements of supervisory authorities.

Besides, the Audit Committee considered the examination report of BOT, PWC's auditor report and BOCHK's group IT audit report. In addition, the Audit Committee closely and timely monitored the audit rectifications status in order to ensure that all business units prudently complied with relevant regulations.

### **4. Connected transactions or the Potential Conflict of Interest**

The Audit Committee has considered connected transactions or potential conflicts of interests by adhering to principles of rationality, transparency, and sufficient information disclosure, which represents normal business practice and the best interest of the Bank.

The Audit Committee has carefully and independently performed its duties for the best interests of the Bank without data restrictions. It has not encountered any difficulty obtaining information, resources or cooperation from the Bank.

Furthermore, the Audit Committee has assessed its individual performance in 2021 in order to ascertain that it has been efficient and effective and has achieved the strategic plan as approved by the Board of Directors.



(Mr. Krish Follett)

Chairman of the Committee

17 February 2022

## Independent auditor's report

To the Board of Directors of Bank of China (Thai) Public Company Limited

### My opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Bank of China (Thai) Public Company Limited (the Bank) as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

### What I have audited

The Bank's financial statements comprise:

- the statement of financial position as at 31 December 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

### Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Bank in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matter

I draw attention to Note 2 of the financial statements, which describes the accounting policies in relation to adopting the temporary exemptions announced by the Federation of Accounting Professions to relieve the impact from COVID-19 for the reporting periods ending between 1 January 2020 and 31 December 2021. My opinion is not modified in respect to this matter.

### Other information

The management are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRS and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The audit committee assists management in discharging their responsibilities for overseeing the Bank's financial reporting process.

#### **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

PricewaterhouseCoopers ABAS Ltd.

**Sakuna Yamsakul**

Certified Public Accountant (Thailand) No. 4906  
Bangkok

24 March 2022

## Bank of China (Thai) Public Company Limited

## Statement of Financial Position

As at 31 December 2021

	Notes	2021 Thousand Baht	2020 Thousand Baht
<b>Assets</b>			
Cash		130,525	146,824
Interbank and money market items - net	6	13,356,329	9,266,527
Derivative assets	7	23,325	48,364
Investments - net	8	8,942,311	12,873,976
Loans to customers and accrued interest receivables - net	9	47,855,598	45,455,163
Properties foreclosed	11	42,837	42,837
Premises and equipment - net	12	105,517	137,595
Right-of-use assets - net	13.1	295,761	343,277
Intangible assets - net	14	9,412	14,607
Deferred tax assets	29	78,812	111,959
Other assets	15	111,596	99,739
<b>Total assets</b>		<b>70,952,023</b>	<b>68,540,868</b>

(Mr. Wang Hongwei)

Chief Executive Officer, Country Head

The accompanying notes are an integral part of the financial statements.

**Bank of China (Thai) Public Company Limited**  
**Statement of Financial Position (Cont'd)**  
**As at 31 December 2021**

		2021	2020
	Notes	Thousand Baht	Thousand Baht
<b>Liabilities and shareholders' equity</b>			
<b>Liabilities</b>			
Deposits	16	44,604,528	47,093,872
Interbank and money market items	17	11,937,201	7,382,620
Liabilities payable on demand		324,952	355,761
Derivative liabilities	7	37,741	23,372
Debts issued and borrowings	18	2,339,393	2,102,597
Lease liabilities	13.2	282,028	320,917
Provisions	19	239,354	266,168
Accrued interest payable		102,192	270,821
Other liabilities	20	675,083	503,097
<b>Total liabilities</b>		<b>60,542,472</b>	<b>58,319,225</b>
<b>Equity</b>			
Share capital			
Registered, issued and fully paid-up			
1,000,000,000 ordinary shares of Baht 10 each		10,000,000	10,000,000
Other components of equity	21	48,686	114,913
Retained earnings			
Appropriated - statutory reserve	22	24,439	21,037
Unappropriated		336,426	85,693
<b>Total equity</b>		<b>10,409,551</b>	<b>10,221,643</b>
<b>Total liabilities and shareholders' equity</b>		<b>70,952,023</b>	<b>68,540,868</b>

(Mr. Wang Hongwei)

Chief Executive Officer, Country Head

The accompanying notes are an integral part of the financial statements.

Bank of China (Thai) Public Company Limited  
Statement of Comprehensive Income  
For the year ended 31 December 2021

		2021	2020
	Notes	Thousand Baht	Thousand Baht
Interest income	24	1,409,392	1,650,277
Interest expenses	25	(444,542)	(888,315)
<b>Net interest income</b>		<b>964,850</b>	<b>761,962</b>
Fees and service income		234,327	228,193
Fees and service expenses		(18,911)	(18,486)
<b>Net fees and service income</b>	26	<b>215,416</b>	<b>209,707</b>
Net gains on financial instruments measured at fair value through profit or loss	27	243,190	232,297
Gains on investments		28,141	1,985
Other operating income		13,257	6,944
<b>Total operating income</b>		<b>1,464,854</b>	<b>1,212,895</b>
<b>Other operating expenses</b>			
Employee expenses		558,167	526,067
Directors' remunerations		5,179	5,500
Premises and equipment expenses		168,764	176,681
Taxes and duties		54,287	65,370
Other operating expenses		56,867	62,701
<b>Total operating expenses</b>		<b>843,264</b>	<b>836,319</b>
Expected credit losses	28	317,231	301,521
<b>Profits from operation before income tax</b>		<b>304,359</b>	<b>75,055</b>
Income tax	29	(53,869)	(7,013)
<b>Profits for the years</b>		<b>250,490</b>	<b>68,042</b>

(Mr. Wang Hongwei)  
Chief Executive Officer, Country Head

The accompanying notes are an integral part of the financial statements.



Bank of China (Thai) Public Company Limited  
Statement of Comprehensive Income (Cont'd)  
For the year ended 31 December 2021

		2021	2020
	Notes	Thousand Baht	Thousand Baht
<b>Other comprehensive income (loss)</b>			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Gains (losses) on investments in debt instruments measured at fair value through other comprehensive income		(82,424)	88,957
Income tax relating to other comprehensive income (loss) for items that will be reclassified subsequently to profit or loss	29	16,197	(17,774)
Total items that will be reclassified subsequently to profit or loss		(66,227)	71,183
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Actuarial gains (losses) on defined benefit plan		4,557	(1,269)
Income tax relating to other comprehensive income (loss) for items that will not be reclassified subsequently to profit or loss	29	(912)	297
Total items that will not be reclassified subsequently to profit or loss		3,645	(972)
<b>Other comprehensive income (loss) for the years</b>		(62,582)	70,211
<b>Total comprehensive income for the years</b>		187,908	138,253
<b>Earnings per share</b>			
Basic earnings per share (Baht per share)	32	0.25	0.07

(Mr. Wang Hongwei)  
Chief Executive Officer, Country Head

The accompanying notes are an integral part of the financial statements.

Bank of China (Thai) Public Company Limited

Statement of Changes in Equity

For the year ended 31 December 2021

		Other components of equity	Retained earnings		
		Surplus (deficit) on			
		changes in value of			
		investments measured			
		at fair value through			
		other comprehensive			
	Issued and	income	Appropriated	Unappropriated	Total
	fully paid-up				
	share capital				
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Balance as of 1 January 2020	10,000,000	43,730	7,818	31,842	10,083,390
Profit for the year	-	-	-	68,042	68,042
Other comprehensive income for the year	-	71,183	-	(972)	70,211
Total comprehensive income for the year	-	71,183	-	67,070	138,253
Transferred unappropriated retained earnings to statutory reserve	-	-	13,219	(13,219)	-
Balance as of 31 December 2020	10,000,000	114,913	21,037	85,693	10,221,643
Balance as of 1 January 2021	10,000,000	114,913	21,037	85,693	10,221,643
Profit for the year	-	-	-	250,490	250,490
Other comprehensive loss for the year	-	(66,227)	-	3,645	(62,582)
Total comprehensive income (loss) for the year	-	(66,227)	-	254,135	187,908
Transferred unappropriated retained earnings to statutory reserve	-	-	3,402	(3,402)	-
Balance as of 31 December 2021	10,000,000	48,686	24,439	336,426	10,409,551

(Mr. Wang Hongwei)

Chief Executive Officer, Country Head

The accompanying notes are an integral part of the financial statements.

## Bank of China (Thai) Public Company Limited

## Statement of Cash Flows

For the year ended 31 December 2021

	2021 Thousand Baht	2020 Thousand Baht
<b>Cash flows from operating activities</b>		
Profits from operation before income tax	304,359	75,055
<b>Adjustments to reconcile profits from operation before income tax to net cash received (paid) from operating activities:</b>		
Depreciation and amortisation	98,974	115,309
Expected credit losses	286,591	301,521
Impairment (reversal) charge on non-financial assets	(2,399)	2,399
Amortisation of discount (premium) on debt instruments	21,729	(2,525)
Gains on investments	(28,141)	(1,985)
Unrealised losses (gains) on changes in fair value of financial derivative instruments	39,408	(27,626)
Unrealised losses (gains) on exchange rate	134,437	(8,096)
Gains on disposal of equipments	(3,887)	(959)
Losses on lease modification	3,715	-
Losses on assets written-off	17,822	-
Withholding tax written-off	1,181	-
Provision for restoration and dismantling cost	1,391	-
Provisions for employee benefits	18,363	8,574
Net interest income	(986,579)	(761,962)
Cash received on interest income	1,415,746	1,627,789
Cash paid on interest expenses	(615,325)	(891,972)
Cash paid on income tax	(2,082)	(81,381)
<b>Profits from operating activities before changes in operating assets and liabilities</b>	<b>705,303</b>	<b>354,141</b>
(Increase) decrease in operating assets		
Interbank and money market items	(4,146,739)	4,213,328
Loans to customers	(2,700,321)	437,912
Properties foreclosed	-	(42,837)
Other assets	(7,330)	22,243
Increase (decrease) in operating liabilities		
Deposits	(2,489,344)	6,034
Interbank and money market items	4,554,581	(1,592,670)
Liabilities payable on demand	(30,809)	71,283
Provision for restoration and dismantling cost	(4,861)	-
Provisions for employee benefits	(5,595)	(1,466)
Other liabilities	181,797	(109,739)
<b>Net cash flows from operating activities</b>	<b>(3,943,318)</b>	<b>3,358,229</b>

(Mr. Wang Hongwei)

Chief Executive Officer, Country Head

The accompanying notes are an integral part of the financial statements.

## Bank of China (Thai) Public Company Limited

## Statement of Cash Flows (Cont'd)

For the year ended 31 December 2021

	2021 Thousand Baht	2020 Thousand Baht
<b>Cash flows from investing activities</b>		
Proceeds from redemption of investments	5,681,185	7,558,000
Cash paid for investments	(1,674,948)	(10,823,581)
Proceeds from disposal of premises and equipment	5,217	972
Purchases of premises and equipment	(14,925)	(16,816)
Purchases of intangible assets	(85)	(3,907)
<b>Net cash flows from investing activities</b>	<b>3,996,444</b>	<b>(3,285,332)</b>
<b>Cash flows from financing activities</b>		
Cash paid on lease liabilities	(69,425)	(65,792)
<b>Net cash flows from financing activities</b>	<b>(69,425)</b>	<b>(65,792)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(16,299)</b>	<b>7,105</b>
Cash and cash equivalents as at 1 January	146,824	139,719
<b>Cash and cash equivalents as at 31 December</b>	<b>130,525</b>	<b>146,824</b>
<b>Supplemental disclosures of cash flows information</b>		
Non-cash items:		
Increase in account payables from premises and equipment purchased	48	168,885
Right-of-use assets	8,294	2,084

(Mr. Wang Hongwei)  
Chief Executive Officer, Country Head

The accompanying notes are an integral part of the financial statements.

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## 1 General information

Bank of China (Thai) Public Company Limited (“the Bank”) is a public company incorporated under Thai law and domiciled in Thailand. The Bank has been operated mainly commercial banking business and its registered office is located at No.179/4 Bangkok City Tower, South Sathorn Road, Tungmahamek Sub District, Sathorn District, Bangkok.

As at 31 December 2021, the Bank conducts its business through a network of 6 branches throughout all regions in Thailand (2020: 8 branches). Its major shareholder is Bank of China (Hong Kong) Limited, a company registered in Hong Kong.

These financial statements were authorised for issue by the Bank’s Board of Directors on 24 March 2022.

## 2 Significant accounting policies

The significant accounting policies applied in the preparation of the Bank’s financial statements are set out below:

### 2.1 Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”). The primary financial statements (including statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows) are prepared in the full format as required by the Notification of the Bank of Thailand (“BoT”), No. SorNorSor. 21/2561 dated 31 October 2018, “The Preparation and Format of the Financial Statements of Commercial Bank and Holding Parent Company of Financial Group” and BoT circular letter No. TorPorTor ForNorSor (23) Wor 276/2563 dated 28 February 2020, “The Relief Programs for Customers Affected by Thai Economic Situations”.

The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with TFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Bank’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

An English version of the financial statements has been prepared from the financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language financial statements shall prevail.

## 2.2 New and amended financial reporting standards

Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022 and have significant impacts to the Bank.

Certain amended TFRSs have been issued that are not mandatory for the current reporting period and have not been early adopted by the Bank.

**Interest rate benchmark (IBOR) reform - phase 2**, amendments to TFRS 9, TFRS 7, TFRS 16 and TFRS 4, and accounting guidance for insurance business provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.

Key relief measures of the phase 2 amendments which are relevant to the Bank are as follows:

- When changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.

TFRS 7 requires additional disclosure about:

- The nature and extent of risks arising from the IBOR reform to which the entity is exposed to
- How the entity manages those risks
- The entity's progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.

The management is currently assessing the impact of initial adoption of this standard.

### Accounting guidance on temporary relief measures for entities assisting debtors affected by the COVID-19 Pandemic

On 22 December 2021, Thailand Federation of Accounting Professions ("TFAC") has announced the accounting guidance on temporary relief measures for entities assisting debtors affected by the COVID-19 pandemic. The Bank which assists debtors affected by the COVID-19 pandemic can apply the accounting guidance announced by TFAC based on BoT circular For. Nor. Sor 2. Wor. 802/2564 to help debtors between 1 January 2022 and 31 December 2023 which has the similar content to this existing accounting guidance (BoT circular letter number TorPorTor ForNorSor (23) Wor 276/2563, regarding to "The relief programs for customers affected by Thai economic situations.") which the Bank currently applies.

## 2.3 Revenue recognition

### a) Interest and discount

The Bank recognises interest income on an accrual basis by using the effective interest method. The effective interest rate is the rate used to discount the estimated future cashflow receipts throughout the expected lifetime of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. Calculation of the effective interest rate takes into account any discounts or premiums on acquisition, fees and costs that are an integral part of the effective interest rate.

The Bank calculates interest income by applying the effective interest rate to the gross carrying amount of financial assets. When a financial asset becomes credit-impaired, the Bank calculates interest income by applying the effective interest rate to the net carrying amount (gross carrying amount net of allowance for expected credit losses) of the financial asset. If the financial asset is no longer credit-impaired, the Bank reverts to calculating interest income on a gross carrying amount.

Discount received on purchase of bills are recognised based on the effective interest method over the period to maturity.

**b) Fees and service income**

Unless included in the effective interest rate calculation, the Bank recognises fee income on an accrual basis when the service has been provided or upon satisfaction of performance obligations including income recognised over the time of servicing such as fees and service income from acceptances, avals and guarantees, certain fee income received from corporate business customers and income recognised at a point in time such as other fee income related to transaction business of the bank.

**c) Interest on investments**

Interest on investments is recognised as revenue on an accrual basis based on the effective interest rate.

**2.4 Expenses recognition**

The Bank recognises expenses on an accrual basis.

**2.5 Cash**

Cash represents cash on hand and cash items in process of the collection.

**2.6 Interbank and money market items (assets/liabilities)**

The Bank recognises and derecognises interbank and money market items on settlement date.

**2.7 Financial derivatives**

Financial derivative instruments are initially recognised at fair value on which the derivative contracts are entered into (trade date).

Financial derivative contracts are recorded as commitments. At the end of the reporting period, outstanding financial derivative contracts are measured at fair value while the changes in their fair value are recognised in profit or loss. Unrealised gains or losses on outstanding financial derivative contracts are presented as derivative assets or liabilities in the statements of financial position.

The fair values of the contracts are based on the quoted market prices. If the fair value of a financial derivatives cannot be determined with reference to market price, it is determined using valuation techniques and models in which the variables used are derived from observable market factors and adjusted to reflect counterparty credit risk (if any).

**2.8 Financial instruments**

*Recognition of financial instruments*

The Bank recognises financial assets or financial liabilities when the Bank becomes a party to the contractual provisions of the financial instrument.

*Classification and measurement of financial assets and financial liabilities*

Financial asset - debt instruments

The Bank classifies its financial asset - debt instruments as financial assets subsequently measured at amortised cost or fair value in accordance with the Bank's business model in managing the financial assets and the contractual cash flows characteristics of the financial assets. A financial asset is classified as a financial asset measured at fair value through other comprehensive income only if both following conditions are met: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset as well as the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are initially recognised at fair value and subsequently measured at fair value. Unrealised gains or losses from changes in their fair value are reported as a component of shareholders' equity through other comprehensive income until disposal of the instruments, after which such gains or losses on disposal are recognised as gains or losses in the statement of comprehensive income. Gains or losses on foreign exchange, expected credit losses, and interest income calculated using the effective interest method are recognised in profit or loss.



#### Investment in equity instruments

The Bank classifies investment in equity instruments as a financial asset measured at fair value through other comprehensive income, and this classification is irrevocable. Gains and losses arising from changes in fair value are recognised in other comprehensive income and not subsequently transferred to profit or loss upon disposal. Instead, they are transferred to retained earnings. Dividends on these investments are recognised in profit or loss, unless the dividends clearly represent a recovery of part of the cost of the investment.

#### Financial liabilities

The Bank classifies and measures financial liabilities at amortised cost. Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost.

#### Income from investments and disposals of investments

Gains or losses on disposals of investments are recognised in profit or loss on the transaction date by using weighted average method for computation of the cost of investments, except that those of investments in equity instruments classified as the financial assets designated at fair value through other comprehensive income are directly recognised in retained earnings.

#### Changes in classification of investments in debt instruments

When there are changes in the Bank's business model for management of financial assets, the Bank has to reclassify investments in debt instruments and adjust the value of these investments to their fair value on the reclassification date. Differences between the book value and fair value of investments in debt instruments on the reclassification date are recorded in profit or loss or other comprehensive income depending on the classification of the investments.

#### *Modifications of financial instruments not measured at fair value*

#### Financial assets

If the terms of a financial asset are modified, the Bank assesses whether the cash flows of the modified financial asset are significantly different from the original financial assets. The original financial asset is derecognised and a new financial asset is recognised at fair value. The difference between the carrying amount of the derecognised financial asset and the new financial asset is recognised in profit or loss as a part of the expected credit losses.

If the cash flows of the modified financial asset are not substantially different, the Bank recalculates the gross carrying amount of the new financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss, which is presented as a part of the expected credit losses.

The Bank applies staging guideline to debtors, who make debt restructuring contract as a result from being affected by the situation impacting the Thai economy, from BoT circular letter number TorPorTor ForNorSor (23) Wor 276/2563 regarding to "The relief programs for customers affected by Thai economic situations." with effective date from 1 January 2020 until 31 December 2021 as following detail:

- The Bank will classify debt restructuring for debtors without non-performing loans (non-NPL) as Stage 1 immediately. If analysing the status and business of debtors and it's clear that the debtors can comply with debt restructuring agreements without waiting for the results of debt restructuring compliance conditions, it will be considered as pre-emptive debt restructuring and not troubled debt restructuring (TDR).
- The Bank will classify debt restructuring for debtors with non-performing loans (NPL) as Stage 1 if the debtors can repay in accordance with the debt restructuring contract for three consecutive months or three instalment payment periods, whichever period is longer.
- In case that the debt restructuring causes the previously effective interest rate (EIR) no longer reflect the estimated cash flow received from the loan. The Bank can use new calculated EIR as an interest rate for the new debt restructuring under the guidelines of the BoT circular.

### Financial liabilities

The Bank derecognises a financial liability when its terms are modified, and the cash flows of the modified financial liability are substantially different. A new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability is recognised in profit or loss.

If the cash flows of the modified financial liability are not substantially different, the Bank adjusts the carrying amount of the financial liability to reflect the net present value of the revised cash flows discounted at the original effective interest rate and recognises the amount arising from adjusting the carrying amount as modification gains or losses.

### *Derecognition of financial instruments*

The Bank derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which all or substantially all the risks and rewards of ownership are transferred. Any interest from transferred financial assets, which is created or retained by the Bank is recognised separately as asset or liability.

A financial liability is derecognised from the statement of financial position when the Bank has discharged its obligation, or the contract is cancelled or expires.

### *Write-off*

Bad debts are written off (in part or in full) in the period in which the Bank decides the debts are irrecoverable. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off are still subject to enforcement activities in compliance with the Bank's procedures for recovery of amounts due.

### *Offsetting*

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right of set-off and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Cash collateral on exchange traded derivative transactions is presented gross unless the collateral cash flows are always settled net with the derivative cash flows. In certain situations, even though master netting agreements exist, the lack of management intention to settle on a net basis results in the financial assets and liabilities being reported gross on the statement of financial position.

## **2.9 Loans to customers**

Loans to customers are presented at the principal balances. Unrealised discounts received in advances on loans to customers are deducted from loans to customers. Accrued interest receivables on all items categorised under loans to customers are presented separately as a single line item in the statements of financial position.

Overdrafts are stated at the drawn amounts together with any accrued interest receivables.

Discounts received in advance in respect of bills purchased and other unearned interest income are recognised as revenue on an accrual basis over the terms of the bills.

## **2.10 Allowance for expected credit losses on financial assets**

The Bank recognises expected credit losses of financial asset - debt instruments, which are interbank and money market (assets), loans to customers and investments in debt instruments, including loan commitments and financial guarantee contracts, which are measured at amortised cost or fair value through other comprehensive income using the General Approach.

The Bank classifies its financial assets into three stages based on the changes in credit risk since initial recognition as follows:

### *Stage 1: Financial assets where there has not been a significant increase in credit risk (Performing)*

For credit exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the Bank recognises allowance for expected credit losses at the amount equal to the expected credit losses in the next 12 months. The Bank will use a probability of default that corresponds to remaining maturity for financial assets with a remaining maturity of less than 12 months.

*Stage 2: Financial assets where there has been a significant increase in credit risk (Under-Performing)*

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, the Bank recognises allowance for expected credit losses at the amount equal to the lifetime expected credit losses of financial assets.

*Stage 3: Financial assets that are credit-impaired (Non-Performing)*

Financial assets are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit-impaired, the Bank recognises allowance for expected credit losses at the amount equal to the lifetime expected credit losses of financial assets.

At every reporting period-end date, the Bank assesses whether there has been a significant increase in credit risk of financial assets since initial recognition by comparing the risk of default over the expected lifetime at the reporting date with the credit risk at the date of initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Bank uses internal quantitative and qualitative indicators to assess the deterioration in credit quality of financial assets. When the financial asset meets criteria such as being arrears of over 30 days past due or a non-retail exposure on the watch list, it should be classified as Stage 2. Financial assets meeting criteria such as being arrears of over 90 days or having an internal credit rating of level 8, should be classified as Stage 3.

Financial assets are assessed to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the counterparties have occurred. Evidence of credit-impaired financial assets includes indications that the issuer or the borrower are experiencing significant financial difficulties, a breach of contract, bankruptcy, distressed restructuring or a significant increase in the country risk and industry risk of the borrower/issuer and so on.

The Bank considers its historical loss experience, adjusted by current observable data and plus on the reasonable and supportable forecasts of future economic conditions, including appropriate use of judgement, to estimate the amount of an expected credit losses. The Bank determines both current and future economic scenario, and probability-weighted in each scenario (good scenario, baseline scenario and downturn scenario) for calculating expected credit losses. The use of macroeconomic factors is also applied. The Bank has established the process to review and monitor methodologies, assumptions and forward-looking macroeconomics scenarios on an annual basis.

For the year ended 31 December 2021, the management considered to provision the additional expected credit losses as management overlay due to the Bank cautionary measure after assessing the various conditions and economic uncertainties arising from the COVID-19 situation which could result in asset quality deterioration in the coming periods.

In the case of investments in debt instruments, the factors used to justify a significant increase in credit risk are a drop in the market value of a debt security, the downgrading of a bond issuer's credit rating and significant deterioration of a bond issuers' financial performance, operations or management. The Bank recognises impairment charged for debt instruments measured at fair value through other comprehensive income in profit or loss as expected credit losses.

The measurement of expected credit losses on loan commitments is the present value difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive (undrawn credit facility). The measurement of expected credit losses on financial guarantees is based on the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

Increase (decrease) in an allowance for expected credit losses is recognised as expenses during the period in profit or loss.

**2.11 Properties foreclosed**

Properties foreclosed consist of immovable and movable properties which are stated at lower of cost or net realisable value which referred from the latest appraised value less estimated selling expenses, which are additionally adjusted considering the type and characteristic of the properties in accordance with BoT's guideline. The Bank recognises losses on impairment or reversal of losses on impairment as other operating expenses or income in the statements of comprehensive income. Gains or losses on disposals of those properties foreclosed after deducting selling expenses are recognised as other operating income or expenses in the statements of comprehensive income, except for sales that allow buyer to borrow money which gains or losses on disposals will be recognised in accordance with the BoT's guidelines.

According to the BoT's Policy No. Thor Por Thor. Phor Thor Sor. (23) Wor.575/2562 dated 8 May 2019, regarding Delivery Policy of Appraisal Guarantee and Properties foreclosed acquired through Debt Repayment, Loan Collateral or Public Auction of Financial Institutions, all properties foreclosed are appraised by the external appraisers. Except for properties foreclosed in risk areas in the southern region (Pattani, Yala, Narathiwat and

Sadao District of Songkhla) with a book value of less than Baht 50 million, appraised by an internal appraiser or an external appraiser on a case-by-case basis.

## 2.12 Premises and equipment and depreciation

Premises and equipment are stated at cost less accumulated depreciation and allowance for impairment loss (if any).

Depreciation is calculated by reference to their cost based on a straight-line basis over the following estimated useful lives for each type of assets:

Buildings and building improvement	10 - 20 years
Computer equipment	3 - 5 years
Furniture and office equipment	5 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate at the end of each reporting period.

No depreciation is determined for assets under construction/installation.

The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of premises and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

## 2.13 Leases

At inception of contract, the Bank assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### *The Bank as a lessee*

The Bank applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Bank recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

### Right-of-use assets

At the commencement date, right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets is calculated by reference to their costs on the straight-line basis over the shorter of the lease term and the estimated useful lives as follows:

Buildings	1 - 9 years
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If ownership of the leased asset is transferred to the Bank at the end of the lease term or the cost of such asset reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Bank includes costs of dismantling, relocating and restoring the site on which it is located, when the Bank has obligation to do so, as a part of right-of-use assets. The Bank calculates the depreciation using straight-line method over the residual life of rental contract.

#### Lease liabilities

At the commencement date of the lease, lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for terminating the lease, if the lease term reflects the Bank exercising an option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the year in which the event or condition that triggers the payment occurs.

The Bank discounted the present value of the lease payments by the interest rate implicit in the lease or the Bank's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

#### Short-term leases and Leases of low-value assets

Payments under a lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

### **2.14 Intangible assets and amortisation**

Intangible assets are carried at cost less accumulated amortisation and allowance for impairment loss (if any).

Intangible assets with finite useful lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indicator that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year-end. The amortisation expenses are charged to profit or loss.

Useful lives of intangible assets with finite useful lives are 3 - 10 years.

### **2.15 Impairment of non-financial assets**

At the end of each reporting period, the Bank assesses whether there is an indicator that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount of the asset. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on available information, reflects the amount that the Bank could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment, if there is any indicator that previously recognised impairment loss may no longer exist or may have decreased, the Bank estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying value of the asset attributable to a reversal of an impairment loss shall not exceed the carrying value that would have been determined in case that no impairment loss has been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

## 2.16 Employee benefits

### *Short-term employee benefits*

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

### *Post-employment benefits*

#### Defined contribution plans

The Bank and its employees have jointly established a provident fund. The employees contribute to the fund at the rate of 3% - 15% of their basic salary and the Bank contributes to the fund at the rate of 3% - 7% of their basic salary. The fund's assets are held in a separate trust fund and the Bank's contributions are recognised as expenses when incurred.

#### Defined benefit plans

The Bank has obligations in respect of the severance payments it must make to employees upon retirement under labour law. The Bank treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Remeasurements of post-employment benefit obligations arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise and are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

## 2.17 Provisions

Provisions are recognised when the Bank has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation amount.

## 2.18 Current and deferred income taxes

The tax expense for the period comprises of the current and deferred income taxes. Income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in head office's equity and balances with other branches under the same entity. In this case the income tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Bank's operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is recognised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### 2.19 Foreign currencies

The financial statements are presented in Baht, which is also the Bank's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rates ruling at transaction dates. Monetary assets and liabilities denominated in foreign currencies and commitments, which are limited to forward exchange contracts and currency swap contracts, outstanding at the end of reporting date are translated into Baht at the exchange rates ruling by the BoT at the end of reporting date.

Gains and losses on exchange rate are recognised in profit or loss.

### 2.20 Fair value measurement

Fair value is the price that is expected to be received from selling an asset or to pay to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Bank applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Bank measures fair value using valuation technique that is appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured and disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on category of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices for the same assets or liabilities in an observable active market

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Bank determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.



### 3 Significant events during the current period

#### 3.1 Coronavirus disease 2019 (COVID-19) pandemic

The Coronavirus disease 2019 (COVID-19) pandemic is impacting various businesses and industries both directly and indirectly, resulting in an economic slowdown. This situation could create uncertainties and affect the Bank's business activities, and this may be impacting the Bank's operating results and cash flows at present and is expected to do so in the future. The Bank's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

#### 3.2 Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy. Its objectives are to provide temporary relief measures solely for entities providing assistance to debtors impacted by the situations that affect the Thai economy, such as COVID-19, economic conditions, trade wars and drought, and to provide an alternative for all entities providing assistance to debtors in accordance with measures to assist debtors specified in the BoT circular No. For Nor Sor. (23) Wor. 276/2563 "Guidelines on providing assistance to debtors impacted by situations that affect the Thai economy" and the BoT circular No. For Nor Sor. (01) Wor. 380/2563 "Measures to provide additional assistance to debtors during the COVID-19 situation" or any other measures announced by the BoT. Such entities include credit card businesses, businesses providing loans secured against vehicle registrations without collateral, personal loan businesses under the supervision of the BoT and certain entities not under the supervision of the BoT, such as leasing, hire-purchase, motorcycle hire-purchase and factoring businesses. Entities providing assistance to debtors in accordance with the BoT's measures and electing to apply this Accounting Guidance have to apply all temporary relief measures specified in this guidance.

On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for entities providing assistance to debtors impacted by situations that affect the Thai economy with the helping period under the supervision of the BoT and certain entities not under the supervision of the BoT, which require the compliance for such changes. The guidance applies to large-sized debtors, small and medium-sized debtors, and retail debtors who have the ability to run a business or to repay debts in the future and have been impacted directly or indirectly by such situations, considering the following guidelines.

- Debtors who were not yet non-performing (Stage 1 or Stage 2) on or after 1 January 2020
- Debtors who became non-performing (Stage 3) on or after 1 January 2019, unless the entity is able to prove that the debtors becoming non-performing before 1 January 2019 are non-performing loans affected by the economic conditions

An entity providing assistance to affected debtors in accordance with the BoT's guidelines applied these following procedures.

- Loans that are not yet non-performing (Non-NPL) are classified as loans where there has not been a significant increase in credit risk (Performing or Stage 1), provided that analysis of its status and business shows that the debtor is able to comply with the debt restructuring agreement without compliance monitoring. Such debt restructuring is considered a pre-emptive debt restructuring rather than a troubled debt restructuring. If it is a provision of assistance to debtors in accordance with the BoT circular No. For Nor Sor. (01) Wor. 380/2563, stage classification of the debtor remains at the same stage as before.
- Non-performing loans (NPL) are classified as performing loans if the debtor is able to make repayment in accordance with the debt restructuring agreement for 3 months or 3 installments consecutively, whichever is the longer period.
- Additional working capital loans provided to a debtor in order to support liquidity and enable the debtor to continue run its business operations during the debt restructuring are classified by account level if the debtor has cash flows to support its repayment or if, considering other factors, the debtor has ability to repay its debts.
- The guidelines specified in the appendix of the BoT circular relating to assessment of whether there has been a significant increase in credit risk are applied to assess whether a debtor is moving to Stage 2.
- Expected credit losses are determined based on the outstanding balance of the drawn down portion only.



- A newly calculated effective interest rate is applied to determine the present value of loans that have been restructured in accordance with guidelines to assist debtors specified in the BoT circular, if the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan. In addition, if it is a provision of assistance to debtors in accordance with the BoT circular No. For Nor Sor. (01) Wor. 380/2563, an entity recognises its interest income during the repayment holiday using the new calculated effective interest rate, or set out by BoT's guidelines if there are changes.
- Consideration is given to placing less weight on forward-looking information that is the result of the temporary crisis than on information reflecting ability of debt payment from historical experience, in cases where general approach is used in determining expected credit losses.

As at 31 December 2021, the Bank has provided assistance to 76 affected debtors in total which 6 debtors classified as corporate loans and 70 as retail loans with outstanding balances of Baht 2,599 million whose classification remains at the same stage as prior to the measures.

#### 4 Significant accounting judgements and estimates

The preparation of financial statements in conformity with TFRS at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates effect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

##### 4.1 Recognition and derecognition of assets and liabilities

In considering whether to recognise or to derecognise assets and liabilities, the management is required to make judgement on whether significant risks and rewards of those assets and liabilities have been transferred, based on their best knowledge of the current events and arrangements.

##### 4.2 Allowance for expected credit losses of loans to customers and accrued interest receivables, together with loan commitments and financial guarantee contracts

The management is required to use judgement in estimation in determining the allowance for expected credit losses of loans to customers and accrued interest receivables, together with loan commitments and financial guarantee contracts. The calculation of allowance for expected credit losses of the Bank is based on the criteria of assessing if there has been a significant increase in credit risk, the development of complex expected credit losses model with a series of underlying assumptions, including the choice of inputs the forecasted macroeconomic variables in the model. This estimation has various relevant factors; therefore, the actual results may differ from estimates.

##### 4.3 Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (both the Bank and its counterparty), liquidity, correlation and long-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosure of fair value hierarchy.

##### 4.4 Premises and equipment and depreciation

In determining depreciation of premises and equipment, the management is required to make estimates of the useful lives and residual values of premises and equipment, and to review estimated useful lives and residual values when there is any change.

In addition, the management is required to review premises and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

#### 4.5 Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to exercise judgement as to the recoverable amount to be generated by the asset or the cash generating units, and to select a suitable discount rate in order to determine the present value of that cash flow.

#### 4.6 Leases

*Determination of the lease term for lease contracts with renewal or termination options - Bank as a lessee*

In determining the lease term, the management is required to exercise judgement in assessing whether the Bank is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Bank to exercise either the extension or termination option.

*Estimating the incremental borrowing rate*

The Bank cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Bank would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

#### 4.7 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profit will be available against which the temporary differences and unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimated future taxable profits.

#### 4.8 Post-employment benefits under the defined benefit plan

Obligations under the defined benefit plan are determined based on actuarial techniques which involves various assumptions including discount rate, future salary incremental rate, staff turnover rate and mortality rate.

#### 4.9 Litigation

The Bank has contingent liabilities as a result of litigation. The management has used judgement to assess results of the litigation and believes that no loss will be incurred. Therefore, no contingent liabilities are recorded as at the end of reporting period.

## 5 Classification of financial assets and liabilities

	2021				
	Financial Instruments measured at fair value through profit or loss Thousand Baht	Financial instruments measured at fair value through other comprehensive income Thousand Baht	Investments in equity Instruments designated at fair value through other comprehensive income Thousand Baht	Financial Instruments measured at amortised cost Thousand Baht	Total Thousand Baht
<b>Financial assets</b>					
Cash	-	-	-	130,525	130,525
Interbank and money market items - net	-	-	-	13,356,329	13,356,329
Derivative assets	23,325	-	-	-	23,325
Investments - net	-	8,942,306	5	-	8,942,311
Loans to customers and accrued interest receivables - net	-	-	-	47,855,598	47,855,598
<b>Total financial assets</b>	<b>23,325</b>	<b>8,942,306</b>	<b>5</b>	<b>61,342,452</b>	<b>70,308,088</b>
<b>Financial liabilities</b>					
Deposits	-	-	-	44,604,528	44,604,528
Interbank and money market items	-	-	-	11,937,201	11,937,201
Liabilities payable on demand	-	-	-	324,952	324,952
Derivative liabilities	37,741	-	-	-	37,741
Debts issued and borrowings	-	-	-	2,339,393	2,339,393
Lease liabilities	-	-	-	282,028	282,028
<b>Total financial liabilities</b>	<b>37,741</b>	<b>-</b>	<b>-</b>	<b>59,488,102</b>	<b>59,525,843</b>
	2020				
	Financial Instruments measured at fair value through profit or loss Thousand Baht	Financial instruments measured at fair value through other comprehensive income Thousand Baht	Investments in equity Instruments designated at fair value through other comprehensive income Thousand Baht	Financial Instruments measured at amortised cost Thousand Baht	Total Thousand Baht
<b>Financial assets</b>					
Cash	-	-	-	146,824	146,824
Interbank and money market items - net	-	-	-	9,266,527	9,266,527
Derivative assets	48,364	-	-	-	48,364
Investments - net	-	12,873,971	5	-	12,873,976
Loans to customers and accrued interest receivables - net	-	-	-	45,455,163	45,455,163
<b>Total financial assets</b>	<b>48,364</b>	<b>12,873,971</b>	<b>5</b>	<b>54,868,514</b>	<b>67,790,854</b>
<b>Financial liabilities</b>					
Deposits	-	-	-	47,093,872	47,093,872
Interbank and money market items	-	-	-	7,382,620	7,382,620
Liabilities payable on demand	-	-	-	355,761	355,761
Derivative liabilities	23,372	-	-	-	23,372
Debts issued and borrowings	-	-	-	2,102,597	2,102,597
Lease liabilities	-	-	-	320,917	320,917
<b>Total financial liabilities</b>	<b>23,372</b>	<b>-</b>	<b>-</b>	<b>57,255,767</b>	<b>57,279,139</b>

## 6 Interbank and money market items (assets)

	2021			2020		
	At call Thousand Baht	Term Thousand Baht	Total Thousand Baht	At call Thousand Baht	Term Thousand Baht	Total Thousand Baht
<b>Domestic items</b>						
Bank of Thailand and Financial Institutions Development Fund	1,447,176	-	1,447,176	1,210,500	-	1,210,500
Commercial banks	44,418	8,767,359	8,811,777	84,636	5,500,000	5,584,636
<b>Total</b>	<b>1,491,594</b>	<b>8,767,359</b>	<b>10,258,953</b>	<b>1,295,136</b>	<b>5,500,000</b>	<b>6,795,136</b>
<u>Add</u> Accrued interest receivables	-	354	354	-	146	146
<u>Less</u> Allowance for expected credit losses	-	(290)	(290)	-	(22)	(22)
<b>Total domestic items</b>	<b>1,491,594</b>	<b>8,767,423</b>	<b>10,259,017</b>	<b>1,295,136</b>	<b>5,500,124</b>	<b>6,795,260</b>
<b>Foreign items</b>						
US Dollar	349,729	1,327,030	1,676,759	835,250	315,606	1,150,856
Yen	5,058	-	5,058	5,384	-	5,384
Euro	53,878	-	53,878	42,385	-	42,385
Hong Kong Dollar	438	857,720	858,158	1,567	775,060	776,627
Chinese Yuan	90,664	421,925	512,589	27,056	461,870	488,926
Other currencies	86,431	-	86,431	45,773	-	45,773
<b>Total</b>	<b>586,198</b>	<b>2,606,675</b>	<b>3,192,873</b>	<b>957,415</b>	<b>1,552,536</b>	<b>2,509,951</b>
<u>Add</u> Accrued interest receivables	-	525	525	-	1,066	1,066
<u>Less</u> Deferred income	-	(93,864)	(93,864)	-	(36,714)	(36,714)
<u>Less</u> Allowance for expected credit losses	-	(2,222)	(2,222)	-	(3,036)	(3,036)
<b>Total foreign items</b>	<b>586,198</b>	<b>2,511,114</b>	<b>3,097,312</b>	<b>957,415</b>	<b>1,513,852</b>	<b>2,471,267</b>
<b>Total domestic and foreign items</b>	<b>2,077,792</b>	<b>11,278,537</b>	<b>13,356,329</b>	<b>2,252,551</b>	<b>7,013,976</b>	<b>9,266,527</b>

## 7 Derivatives

*Derivatives held for trading*

As at 31 December 2021 and 2020, the Bank has fair value and notional amount of derivatives held for trading classified by type of risk as follows:

Type of risk	2021			2020		
	Fair value		Notional Amount Thousand Baht	Fair value		Notional Amount Thousand Baht
	Assets Thousand Baht	Liabilities Thousand Baht		Assets Thousand Baht	Liabilities Thousand Baht	
Foreign exchange	19,798	34,214	6,712,585	44,938	19,946	5,244,532
Interest rate	3,527	3,527	1,002,597	3,426	3,426	901,113
<b>Total</b>	<b>23,325</b>	<b>37,741</b>	<b>7,715,182</b>	<b>48,364</b>	<b>23,372</b>	<b>6,145,645</b>

\* Disclosed only in case that the Bank has an obligation to pay.

## 8 Investments

## Classified by type of investments

As at 31 December 2021 and 2020, the Bank has investments, as detailed follows:

	2021 Fair value Thousand Baht	2020 Fair value Thousand Baht
<b>Investments in debt instruments measured at fair value through other comprehensive income</b>		
Government and state enterprises instruments	7,587,969	11,317,943
Private debt instruments	35,174	884,593
Foreign debt instruments	1,326,631	683,924
Total	8,949,774	12,886,460
Allowance for expected credit losses	7,468	12,489
<b>Investments in equity instruments designated at fair value through other comprehensive income</b>		
Non-marketable domestic equity instruments	5	5
Total	5	5
<b>Investments - net</b>	<b>8,942,311</b>	<b>12,873,976</b>

As at 31 December 2021, Government bonds amounting to Baht 5,552 million (2020: Baht 10,390 million) are used as collateral for credit balance on clearing position with the Bank of Thailand.

## 9 Loans to customers and accrued interest receivables

## 9.1 Classified by loan type

	2021 Thousand Baht	2020 Thousand Baht
Overdrafts	92,412	70,969
Loans	49,466,819	46,760,040
Trade bills	52,676	49,936
Total loans to customers	49,611,907	46,880,945
<u>Add</u> Interest receivables and undue interest receivables	194,780	140,227
Total loans to customers and accrued interest receivables	49,806,687	47,021,172
<u>Less</u> Deferred income	(85,305)	(97,783)
Total loans to customers and interest receivables net of deferred income	49,721,382	46,923,389
<u>Less</u> Allowance for expected credit losses	(1,865,784)	(1,468,226)
<b>Total loans to customers and accrued interest receivables - net</b>	<b>47,855,598</b>	<b>45,455,163</b>

## 9.2 Classified by currency and residency of debtors

	2021			2020		
	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht
Baht	32,117,725	-	32,117,725	31,185,549	-	31,185,549
US Dollar	7,688,529	8,297,184	15,985,713	5,279,281	8,892,576	14,171,857
Euro	-	1,006,919	1,006,919	-	1,106,292	1,106,292
Other currencies	731	500,819	501,550	107,843	309,404	417,247
<b>Total loans to customers</b>	<b>39,806,985</b>	<b>9,804,922</b>	<b>49,611,907</b>	<b>36,572,673</b>	<b>10,308,272</b>	<b>46,880,945</b>

## 9.3 Classified by loan classification

	2021	
	Loans to customers and accrued interest receivables Thousand Baht	Allowance for expected credit losses Thousand Baht
Financial assets where there has not been a significant increase in credit risk (Performing)	46,887,763	624,664
Financial assets where there has been a significant increase in credit risk (Under-Performing)	1,018,060	191,827
Financial assets that are credit-impaired (Non-Performing)	1,900,864	1,049,293
<b>Total</b>	<b>49,806,687</b>	<b>1,865,784</b>
	2020	
	Loans to customers and accrued interest receivables Thousand Baht	Allowance for expected credit losses Thousand Baht
Financial assets where there has not been a significant increase in credit risk (Performing)	44,990,028	579,641
Financial assets where there has been a significant increase in credit risk (Under-Performing)	281,470	15,386
Financial assets that are credit-impaired (Non-Performing)	1,749,674	873,199
<b>Total</b>	<b>47,021,172</b>	<b>1,468,226</b>

## 9.4 Movement of loans to customers and interest receivables

	2021		
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL) Thousand Baht	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired) Thousand Baht	Financial assets that are credit-impaired (Lifetime ECL - credit impaired) Thousand Baht
<b>Loans to customers and accrued interest receivables</b>			
Beginning balance	44,990,028	281,470	1,749,674
Changes due to changes in stages	(929,990)	923,423	6,567
New financial assets purchased or acquired	20,148,244	-	-
Derecognised financial assets	(13,978,933)	(111,177)	(2,522)
Changes due to collection and modification	(4,163,906)	(134,432)	(2,217)
Bad debt written - off	-	-	(35,337)
Foreign exchange	795,022	57,722	145,397
Other	27,298	1,054	39,302
<b>Ending balance</b>	<b>46,887,763</b>	<b>1,018,060</b>	<b>1,900,864</b>

	2020			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Loans to customers and accrued interest receivables</b>				
Beginning balance	46,572,993	128,939	795,998	47,497,930
Changes due to changes in stages	(1,317,039)	163,062	1,153,977	-
New financial assets purchased or acquired	15,149,143	124,727	-	15,273,870
Derecognised financial assets	(12,355,411)	(75,902)	(170,501)	(12,601,814)
Changes due to collection and modification	(3,180,610)	(58,646)	(31,447)	(3,270,703)
Bad debt written - off	-	-	(18,926)	(18,926)
Foreign exchange	83,256	-	(5,025)	78,231
Other	37,696	(710)	25,598	62,584
Ending balance	44,990,028	281,470	1,749,674	47,021,172

## 10 Allowance for expected credit losses

	2021			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Interbank and money market items (assets)</b>				
Beginning balance	3,058	-	-	3,058
Changes due to revaluation of allowance for credit losses	(989)	-	-	(989)
New financial assets purchased or acquired	476	-	-	476
Derecognised financial assets	(33)	-	-	(33)
Ending balance	2,512	-	-	2,512
<b>Investments in debt instruments measured at fair value through other comprehensive income</b>				
Beginning balance	12,489	-	-	12,489
Changes due to revaluation of allowance for credit losses	2,062	-	-	2,062
New financial assets purchased or acquired	1,889	-	-	1,889
Derecognised financial assets	(8,972)	-	-	(8,972)
Ending balance	7,468	-	-	7,468
<b>Loans to customers and accrued interest receivables</b>				
Beginning balance	579,641	15,386	873,199	1,468,226
Changes due to changes in stages	(24,475)	22,714	1,761	-
Changes due to revaluation of allowance for credit losses	14,424	159,508	209,396	383,328
New financial assets purchased or acquired	188,501	-	-	188,501
Derecognised financial assets	(133,427)	(5,781)	(4,015)	(143,223)
Bad debt written-off	-	-	(35,337)	(35,337)
Bad debt recovery	-	-	4,289	4,289
Ending balance	624,664	191,827	1,049,293	1,865,784

	2020			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Interbank and money market items (assets)</b>				
Beginning balance	3,280	-	-	3,280
Changes due to revaluation of allowance for credit losses	220	-	-	220
New financial assets purchased or acquired	75	-	-	75
Derecognised financial assets	(517)	-	-	(517)
Ending balance	3,058	-	-	3,058
<b>Investments in debt instruments measured at fair value through other comprehensive income</b>				
Beginning balance	8,729	-	-	8,729
Changes due to revaluation of allowance for credit losses	2,327	-	-	2,327
New financial assets purchased or acquired	3,825	-	-	3,825
Derecognised financial assets	(2,392)	-	-	(2,392)
Ending balance	12,489	-	-	12,489
<b>Loans to customers and accrued interest receivables</b>				
Beginning balance	805,027	12,150	504,328	1,321,505
Changes due to changes in stages	(25,851)	18,623	7,228	-
Changes due to revaluation of allowance for credit losses	(261,652)	(12,720)	511,023	236,651
New financial assets purchased or acquired	195,830	-	-	195,830
Derecognised financial assets	(133,713)	(2,667)	(134,779)	(271,159)
Bad debt written-off	-	-	(18,926)	(18,926)
Bad debt recovery	-	-	4,325	4,325
Ending balance	579,641	15,386	873,199	1,468,226



**11 Properties foreclosed**

Properties foreclosed as of 31 December 2021 and 2020 are summarised as follows:

Type of properties foreclosed	2021			Ending balance Thousand Baht
	Beginning balance Thousand Baht	Increase Thousand Baht	Decrease Thousand Baht	
<b>Assets from debt repayment</b>				
Immovable properties				
- Appraised by external appraisers	42,837	-	-	42,837
Total	42,837	-	-	42,837
<u>Less</u> Allowance for impairment	-	-	-	-
<b>Total properties foreclosed</b>	42,837	-	-	42,837
Type of properties foreclosed	2020			Ending balance Thousand Baht
	Beginning balance Thousand Baht	Increase Thousand Baht	Decrease Thousand Baht	
<b>Assets from debt repayment</b>				
Immovable properties				
- Appraised by external appraisers	-	42,837	-	42,837
Total	-	42,837	-	42,837
<u>Less</u> Allowance for impairment	-	-	-	-
<b>Total properties foreclosed</b>	-	42,837	-	42,837

## 12 Premises and equipment

Movements of the premises and equipment are summarised as follows:

	Building and building improvements Thousand Baht	Computer equipment Thousand Baht	Furniture and office equipment Thousand Baht	Vehicles Thousand Baht	Asset under construction/ installation Thousand Baht	Total Thousand Baht
<b>As at 1 January 2020</b>						
Cost	343,403	73,619	132,311	36,465	2,085	587,883
<u>Less</u> Accumulated depreciation	(203,896)	(64,170)	(100,377)	(35,212)	-	(403,655)
Transfer to right-of-use assets due to TFRS 16 adoption	(23,304)	-	-	-	-	(23,304)
Net book amount	116,203	9,449	31,934	1,253	2,085	160,924
<b>For the year ended 31 December 2020</b>						
Opening net book amount	116,203	9,449	31,934	1,253	2,085	160,924
Additions	3,312	9,824	2,254	2,050	1,396	18,836
Transfer in (out)	1,406	-	679	-	(2,085)	-
Disposal, net	-	(2)	(3)	(9)	-	(14)
Depreciation charge	(12,919)	(7,523)	(18,055)	(1,255)	-	(39,752)
Impairment charge	(2,399)	-	-	-	-	(2,399)
Closing net book amount	105,603	11,748	16,809	2,039	1,396	137,595
<b>As at 31 December 2020</b>						
Cost	287,078	74,281	133,675	30,189	1,396	526,619
<u>Less</u> Accumulated depreciation	(179,076)	(62,533)	(116,866)	(28,150)	-	(386,625)
<u>Less</u> Accumulated impairment	(2,399)	-	-	-	-	(2,399)
Net book amount	105,603	11,748	16,809	2,039	1,396	137,595
<b>As at 1 January 2021</b>						
Cost	287,078	74,281	133,675	30,189	1,396	526,619
<u>Less</u> Accumulated depreciation	(179,076)	(62,533)	(116,866)	(28,150)	-	(386,625)
<u>Less</u> Accumulated impairment	(2,399)	-	-	-	-	(2,399)
Net book amount	105,603	11,748	16,809	2,039	1,396	137,595
<b>For the year ended 31 December 2021</b>						
Opening net book amount	105,603	11,748	16,809	2,039	1,396	137,595
Additions	3,801	7,629	874	2,669	-	14,973
Transfer in (out)	1,396	-	-	-	(1,396)	-
Disposal, net	(1,289)	(32)	(9)	-	-	(1,330)
Write-off, net	(17,814)	(8)	-	-	-	(17,822)
Depreciation charge	(12,849)	(6,575)	(10,249)	(625)	-	(30,298)
Impairment charge	2,399	-	-	-	-	2,399
Closing net book amount	81,247	12,762	7,425	4,083	-	105,517
<b>As at 31 December 2021</b>						
Cost	262,317	81,764	114,524	31,260	-	489,865
<u>Less</u> Accumulated depreciation	(181,070)	(69,002)	(107,099)	(27,177)	-	(384,348)
<u>Less</u> Accumulated impairment	-	-	-	-	-	-
Net book amount	81,247	12,762	7,425	4,083	-	105,517

Depreciation included in profit or loss for the year ended 31 December 2021 and 2020 are summarised as follows:

	2021 Thousand Baht	2020 Thousand Baht
Depreciation for the years	30,298	39,752

### 13 Leases

The Bank has entered into the lease agreements for rental of premises for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 1 and 9 years.

#### 13.1 Right-of-use assets

Movements of the right-of-use assets are summarised below:

	Building Thousand Baht
<b>As at 1 January 2020</b>	
Cost	282,156
<u>Less</u> Accumulated depreciation - Transfer from building	(37,739)
Net book amount	244,417
<b>For the year ended 31 December 2020</b>	
Opening net book amount	244,417
Additions	168,885
Depreciation charge	(70,025)
Closing net book amount	343,277
<b>As at 31 December 2020</b>	
Cost	451,041
<u>Less</u> Accumulated depreciation	(107,764)
Net book amount	343,277
<b>As at 1 January 2021</b>	
Cost	451,041
<u>Less</u> Accumulated depreciation	(107,764)
Net book amount	343,277
<b>For the year ended 31 December 2021</b>	
Opening net book amount	343,277
Additions	8,294
Lease modifications and reassessment	8,473
Depreciation charge	(64,283)
Closing net book amount	295,761
<b>As at 31 December 2021</b>	
Cost	436,445
<u>Less</u> Accumulated depreciation	(140,684)
Net book amount	295,761

**13.2 Lease liabilities**

	2021 Thousand Baht	2020 Thousand Baht
Lease payments	303,033	350,635
<u>Less</u> Deferred interest expenses	(21,005)	(29,718)
<b>Total</b>	<b>282,028</b>	<b>320,917</b>

A maturity analysis of lease payments is disclosed in Note 36.3 to the financial statements under the liquidity risk.

**13.3 Expenses relating to leases that are recognised in profit or loss**

	2021 Thousand Baht	2020 Thousand Baht
Depreciation of right-of-use assets	64,283	70,025
Interest expenses on lease liabilities	10,054	9,184
Expenses relating to lease of low-value assets	-	1,422
Losses on lease modification	3,715	-

The Bank had total cash outflows for leases for the year ended 31 December 2021 of Baht 69 million (2020: Baht 67 million).

**14 Intangible assets**

	License fee Thousand Baht	Computer software Thousand Baht	Total Thousand Baht
<b>As at 1 January 2020</b>			
Cost	35,965	19,672	55,637
<u>Less</u> Accumulated amortisation	(30,153)	(9,316)	(39,469)
Net book amount	5,812	10,356	16,168
<b>For the year ended 31 December 2020</b>			
Opening net book amount	5,812	10,356	16,168
Additions	2,033	1,938	3,971
Amortisation charge	(3,641)	(1,891)	(5,532)
Closing net book amount	4,204	10,403	14,607
<b>As at 31 December 2020</b>			
Cost	37,998	21,610	59,608
<u>Less</u> Accumulated amortisation	(33,794)	(11,207)	(45,001)
Net book amount	4,204	10,403	14,607
<b>As at 1 January 2021</b>			
Cost	37,998	21,610	59,608
<u>Less</u> Accumulated amortisation	(33,794)	(11,207)	(45,001)
Net book amount	4,204	10,403	14,607
<b>For the year ended 31 December 2021</b>			
Opening net book amount	4,204	10,403	14,607
Additions	85	-	85
Disposal, net	-	(887)	(887)
Amortisation charge	(2,236)	(2,157)	(4,393)
Closing net book amount	2,053	7,359	9,412
<b>As at 31 December 2021</b>			
Cost	38,083	20,716	58,799
<u>Less</u> Accumulated amortisation	(36,030)	(13,357)	(49,387)
Net book amount	2,053	7,359	9,412

Amortisation included in profit or loss for the year ended 31 December 2021 and 2020 are summarised as follows:

	2021 Thousand Baht	2020 Thousand Baht
Amortisation for the years	4,393	5,532

## 15 Other assets

	2021 Thousand Baht	2020 Thousand Baht
Accrued interest receivables from investments	48,148	42,321
Deposits	21,688	22,146
Prepaid expenses	16,027	15,692
Others	25,733	19,580
<b>Total</b>	<b>111,596</b>	<b>99,739</b>

## 16 Deposit

### 16.1 Classified by type of deposits

	2021 Thousand Baht	2020 Thousand Baht
Current accounts	590,379	577,467
Saving accounts	20,087,899	16,410,398
Fixed accounts		
- not over 6 months	4,173,697	1,974,175
- 6 months and up to 1 year	10,693,508	17,600,798
- over 1 year	9,059,045	10,531,034
<b>Total</b>	<b>44,604,528</b>	<b>47,093,872</b>

### 16.2 Classified by currency and residency of deposits

	2021			2020		
	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht
Baht	33,291,375	18,310	33,309,685	36,980,291	23,159	37,003,450
US Dollar	9,096,196	235,120	9,331,316	8,354,023	238,556	8,592,579
Chinese Yuan	1,898,786	466	1,899,252	1,456,133	408	1,456,541
Other currencies	58,246	6,029	64,275	36,383	4,919	41,302
<b>Total</b>	<b>44,344,603</b>	<b>259,925</b>	<b>44,604,528</b>	<b>46,826,830</b>	<b>267,042</b>	<b>47,093,872</b>

## 17 Interbank and money market items (liabilities)

	2021			2020		
	At call Thousand Baht	Term Thousand Baht	Total Thousand Baht	At call Thousand Baht	Term Thousand Baht	Total Thousand Baht
<b>Domestic items</b>						
Commercial banks	8,188	-	8,188	4,660	-	4,660
Total domestic items	8,188	-	8,188	4,660	-	4,660
<b>Foreign items</b>						
Baht	166,304	-	166,304	163,499	-	163,499
US Dollars	-	9,570,524	9,570,524	-	5,023,705	5,023,705
Hong Kong Dollars	-	857,720	857,720	-	775,060	775,060
Australian Dollars	-	327,546	327,546	-	309,404	309,404
Euro	-	1,006,919	1,006,919	-	1,106,292	1,106,292
Total foreign items	166,304	11,762,709	11,929,013	163,499	7,214,461	7,377,960
<b>Total domestic and foreign items</b>	174,492	11,762,709	11,937,201	168,159	7,214,461	7,382,620

## 18 Debts issued and borrowings

As at 31 December 2021 and 2020, debts issued and borrowings classified by type of securities, maturity and interest rate are as follows:

Type	Maturity	Interest rate per annum (%)	Currency	2021			2020		
				Amount			Amount		
				Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht
Subordinated debentures	21 August 2027	3M LIBOR + 0.3	USD	-	2,339,393	2,339,393	-	2,102,597	2,102,597
Total				-	2,339,393	2,339,393	-	2,102,597	2,102,597

The subordinated debentures are name-registered, unsecured, subordinated debentures with no debenture holders' representative through Bank of China (Hong Kong) Limited amounting to USD 70 million. The debentures have a 10-year tenor and bear interest at a floating rate of 3-month LIBOR plus 0.3 percent per annum, payable quarterly. The Bank has the right to early redeem all subordinated debentures from the fifth anniversary of the issuance date. The debentures have loss absorption features that will come into effect at the point of non-viability, in accordance with the BoT's guidelines with reference to Basel III framework. In addition, as at 31 December 2021 and 2020, the Bank was approved by BoT to count proceeds received from the issuance of the above subordinated debentures for an amount of Baht 2,326 million as a part of its Tier II capital, in accordance with the conditions specified in the BoT's guidelines regarding the Basel III framework.

## 19 Provisions

	2021 Thousand Baht	2020 Thousand Baht
Allowance for expected credit losses on loan commitments and financial guarantee contracts	125,950	157,505
Provision for restoration and dismantling cost	70,652	74,122
Provision for long-term employee benefits	40,201	34,541
Others	2,551	-
<b>Total</b>	<b>239,354</b>	<b>266,168</b>

## 19.1 Allowance for expected credit losses of loan commitments and financial guarantee contracts

As at 31 December 2021 and 2020, allowance for expected credit losses of loan commitments and financial guarantee contracts by classification are as follows:

	2021	
	Loan commitments and financial guarantee contracts Thousand Baht	Allowance for expected credit losses Thousand Baht
Financial assets where there has not been a significant increase in credit risk (Performing)	23,619,631	45,694
Financial assets where there has been a significant increase in credit risk (Under-Performing)	129,063	6,106
Financial assets that are credit-impaired (Non-Performing)	74,150	74,150
<b>Total</b>	<b>23,822,844</b>	<b>125,950</b>
	2020	
	Loan commitments and financial guarantee contracts Thousand Baht	Allowance for expected credit losses Thousand Baht
Financial assets where there has not been a significant increase in credit risk (Performing)	21,984,381	79,859
Financial assets where there has been a significant increase in credit risk (Under-Performing)	131,606	3,496
Financial assets that are credit-impaired (Non-Performing)	74,150	74,150
<b>Total</b>	<b>22,190,137</b>	<b>157,505</b>

Change in allowance for expected credit losses of loan commitments and financial guarantee contracts are as follows:

	2021			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL) Thousand Baht	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired) Thousand Baht	Financial assets that are credit-impaired (Lifetime ECL - credit impaired) Thousand Baht	Total Thousand Baht
Beginning balance	79,859	3,496	74,150	157,505
Changes due to changes in stages	(77)	77	-	-
Changes due to revaluation of allowance for credit losses	(22,793)	2,782	-	(20,011)
New loan commitments/ guarantee contracts issued	15,939	-	-	15,939
Derecognised financial assets	(27,234)	(249)	-	(27,483)
Ending balance	45,694	6,106	74,150	125,950

	2020			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL) Thousand Baht	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired) Thousand Baht	Financial assets that are credit-impaired (Lifetime ECL - credit impaired) Thousand Baht	Total Thousand Baht
Beginning balance	75,297	1,577	74,250	151,124
Changes due to changes in stages	90	(90)	-	-
Changes due to revaluation of allowance for credit losses	(7,406)	2,005	-	(5,401)
New loan commitments/ guarantee contracts issued	39,351	81	-	39,432
Derecognised financial assets	(27,473)	(77)	(100)	(27,650)
Ending balance	79,859	3,496	74,150	157,505



## 19.2 Provisions for long-term employee benefits

Changes in provisions for long-term employee benefits for the year ended 31 December 2021 and 2020 can be summarised as follows:

	2021 Thousand Baht	2020 Thousand Baht
Provisions for long-term employee benefits at the beginning of the year	34,541	26,164
Recognised in profit or loss:		
Current service cost	10,852	8,206
Interest cost	349	368
Losses from settlement	4,611	-
Total benefits recognised in profit or loss	15,812	8,574
Recognised in other comprehensive income:		
Actuarial (gains) losses arising from		
Demographic assumption changes	478	(1,163)
Financial assumption changes	(1,424)	1,384
Experience adjustments	(3,611)	1,048
Total benefits recognised in other comprehensive income	(4,557)	1,269
Benefits paid during the year	(5,595)	(1,466)
<b>Provisions for long-term employee benefits at the end of the year</b>	<b>40,201</b>	<b>34,541</b>

As at 31 December 2021, the weighted average duration of the Bank's long-term employee benefit obligation is 7 years (2020: 8 years).

The principal assumptions used in determining employee benefits under retirement plans can be summarised as follows:

	2021 Percentage per annum	2020 Percentage per annum
Average salary incremental rate	5.00	5.00
Average staff turnover rate	0.00 - 25.00	0.00 - 28.00
Discount rate	1.51	1.01

Sensitivity analysis for principal assumptions that affects provisions for long-term employee benefits as at 31 December 2021 and 2020 are summarised as follows:

	2021		2020	
	Increased by 1% Thousand Baht	Decreased by 1% Thousand Baht	Increased by 1% Thousand Baht	Decreased by 1% Thousand Baht
Average salary incremental rate	2,759	(2,499)	2,671	(2,416)
Average staff turnover rate	(2,920)	1,653	(2,828)	1,653
Discount rate	(2,698)	3,043	(2,621)	2,963

Expected maturity analysis of undiscounted retirement benefits:

	2021 Thousand Baht	2020 Thousand Baht
<b>Maturity analysis of benefits expected to be paid</b>		
Benefits expected to be paid within 1 year	-	5,595
Benefits expected to be paid between 1 and 2 years	1,125	-
Benefits expected to be paid between 2 and 5 years	21,953	20,320
Benefits expected to be paid in more than 5 years	514,215	573,720

## 20 Other liabilities

	2021 Thousand Baht	2020 Thousand Baht
Accrued expenses	175,109	185,757
Cash subscription payable	203,013	203,013
Other liabilities payable on behalf of Bank of China Limited, Bangkok branch	10,789	10,789
Corporate income tax payable	2,349	-
Others	283,823	103,538
<b>Total other liabilities</b>	<b>675,083</b>	<b>503,097</b>

## 21 Other components of equity

	2021 Thousand Baht	2020 Thousand Baht
<b>Revaluation surplus (deficit) on investments</b>		
Revaluation surplus on investments		
Debt instruments	66,609	147,609
Revaluation deficit on investments		
Debt instruments	(5,413)	(3,989)
Total revaluation surplus on investment measured fair value through other comprehensive income	61,196	143,620
<u>Less</u> Income tax effects	(12,510)	(28,707)
<b>Revaluation surplus on investments measured through other comprehensive income - net of income tax</b>	<b>48,686</b>	<b>114,913</b>

## 22 Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Bank is required to set aside a statutory reserve at least 5 percent of its net profit for the year after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

## 23 Capital funds

The primary objectives of the Bank's capital management are to maintain the Bank's ability to continue as a going concern and to maintain a capital adequacy ratio in accordance with the Act on Undertaking of Banking business B.E. 2551.

As at 31 December 2021 and 2020, Capital funds of the Bank calculated in accordance with the BoT's guidelines with reference to Basel III framework consist of the following:

	2021 Thousand Baht	2020 Thousand Baht
<b><u>Tier I capital</u></b>		
<b>Common Equity Tier I capital</b>		
Issued and fully paid-up share capital	10,000,000	10,000,000
Statutory reserve	24,439	21,037
Retained earnings after appropriation	462,647	398,006
Other components of equity	48,686	114,913
<u>Less</u> Deduction items from Common Equity Tier I	(416,336)	(315,533)
<b>Total Tier I capital</b>	<b>10,119,436</b>	<b>10,218,423</b>
<b><u>Tier II capital</u></b>		
Subordinated debentures	2,325,729	2,325,729
<b>Total Tier II capital</b>	<b>2,325,729</b>	<b>2,325,729</b>
<b>Total capital funds</b>	<b>12,445,165</b>	<b>12,544,152</b>

	2021		2020	
Capital Adequacy Ratio	Minimum requirement by BoT Percentage	The Bank Percentage	Minimum requirement by BoT Percentage	The Bank Percentage
Common Equity Tier I to risk-weighted assets	7.00	16.03	7.00	17.82
Tier I capital funds to risk-weighted assets	8.50	16.03	8.50	17.82
Total capital funds to risk-weighted assets	11.00	19.72	11.00	21.88

In accordance with the Notification of the Bank of Thailand regarding the disclosure of capital maintenance for commercial banks, the Bank will disclose capital maintenance information as at 31 December 2021 on its website ([www.bankofchina.com/th](http://www.bankofchina.com/th)) by April 2022.

## 24 Interest income

	2021 Thousand Baht	2020 Thousand Baht
Interbank and money market items	77,801	101,213
Investments in debt instruments	129,940	161,059
Loans to customers	1,201,651	1,388,005
<b>Total interest income</b>	<b>1,409,392</b>	<b>1,650,277</b>

## 25 Interest expenses

	2021 Thousand Baht	2020 Thousand Baht
Deposits	270,041	595,608
Interbank and money market items	73,704	152,952
Contributions to the Deposit Protection Agency	80,258	104,572
Debts issued and borrowings	10,485	25,999
Others	10,054	9,184
<b>Total interest expense</b>	<b>444,542</b>	<b>888,315</b>

## 26 Net fees and service income

	2021 Thousand Baht	2020 Thousand Baht
Fees and service income		
- Acceptances, avals and guarantees	84,508	87,548
- Others	149,819	140,645
Total fees and service income	234,327	228,193
Fees and service expenses	(18,911)	(18,486)
<b>Net fees and service income</b>	<b>215,416</b>	<b>209,707</b>

## 27 Net gains on financial instruments measured at fair value through profit or loss

	2021 Thousand Baht	2020 Thousand Baht
Foreign currencies and derivatives on foreign exchange	243,190	232,297
<b>Total</b>	<b>243,190</b>	<b>232,297</b>

**28 Expected credit losses**

Expected credit losses for financial assets for the year ended 31 December 2021 and 2020 are as follows:

	<b>2021 Thousand Baht</b>	<b>2020 Thousand Baht</b>
Interbank and money market items	(969)	(222)
Debt instruments measured at fair value through other comprehensive income	(5,025)	3,760
Loans to customers and accrued interest receivables	356,169	291,602
Total	350,175	295,140
Loan commitments and financial guarantee contracts	(32,944)	6,381
<b>Total expected credit losses</b>	<b>317,231</b>	<b>301,521</b>

**29 Income tax**

Income tax expenses of the Bank for the year ended 31 December 2021 and 2020 are as follows:

	<b>2021 Thousand Baht</b>	<b>2020 Thousand Baht</b>
<b>Current income tax</b>		
Income tax for the years	4,431	-
Adjustments in respect of corporate income tax of previous years	1,006	(934)
<b>Deferred tax</b>		
Deferred tax on temporary differences and reversal of temporary differences	48,432	17,191
Deferred tax effect from change in tax rate	-	(9,244)
<b>Income tax expenses reported in the statement of comprehensive income</b>	<b>53,869</b>	<b>7,013</b>

The amount of income tax relating to each component of other comprehensive income for the year ended 31 December 2021 and 2020 are as follows:

	<b>2021 Thousand Baht</b>	<b>2020 Thousand Baht</b>
Revaluation surplus (deficit) on investments	16,197	(17,774)
Actuarial losses on defined benefit plan	(912)	297
<b>Income tax recorded directly to other comprehensive income</b>	<b>15,285</b>	<b>(17,477)</b>

A reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the year ended 31 December 2021 and 2020 are as follows:

	2021 Thousand Baht	2020 Thousand Baht
Accounting profits before tax	304,359	75,055
Applicable tax rates	20%	20%
Accounting profits before tax multiplied by applicable tax rate	60,872	15,011
Adjustments in respect of corporate income tax of previous years	1,006	(934)
Tax effect of non-taxable income and non-deductible expenses	1,501	2,180
Utilisation of previously unrecognised tax losses	(9,510)	-
Deferred tax effect from change in tax rate	-	(9,244)
<b>Income tax expenses reported in the statement of comprehensive income</b>	<b>53,869</b>	<b>7,013</b>

The weighted average income tax rate for the year ended 31 December 2021 was 17.70% (2020: 9.34%).

	2021 Thousand Baht	2020 Thousand Baht	Change in deferred tax assets/liabilities for the year ended	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
<b>Deferred tax assets (liabilities) arose from</b>				
Revaluation surplus on investments	(12,510)	(28,707)	16,197	(17,774)
Allowance for expected credit losses	26,684	34,073	(7,389)	34,073
Provisions	43,158	35,000	8,158	4,565
Stop accrued interest	816	816	-	-
Deferred fees income	13,194	16,582	(3,388)	(172)
Unused tax loss	-	48,509	(48,509)	48,509
Others	7,470	5,686	1,784	221
<b>Deferred tax assets</b>	<b>78,812</b>	<b>111,959</b>	<b>(33,147)</b>	<b>69,422</b>
<b>Changes in deferred income tax</b>				
Recognised in retained earnings as at 1 January 2020			-	94,846
Recognised in profit or loss			(48,432)	(7,947)
Recognised in other comprehensive income (loss)			15,285	(17,477)
<b>Total</b>			<b>(33,147)</b>	<b>69,422</b>

**30 Contingent liabilities****30.1 Commitments**

	2021 Thousand Baht	2020 Thousand Baht
Guarantees of loans	908,596	869,590
Letters of credit	292,890	265,668
Liabilities under unmatured import bills	168,942	34,336
Other commitments		
- Undrawn overdraft amount	41,651	95,376
- Other guarantees	20,223,341	17,198,701
- Others	2,187,424	3,726,466
<b>Total</b>	<b>23,822,844</b>	<b>22,190,137</b>

**30.2 Service commitments**

The Bank has entered into other service commitments. The terms of the agreements are approximately 3 years. As at 31 December 2021, the Bank has future minimum payments required under these non-cancellable contracts ending on 31 March 2024 amounting to approximately Baht 3.4 million (2020: Baht 0.4 million).

**30.3 Contingent liabilities/Litigation cases**

As at 31 December 2021, the Bank has contingent liabilities amounting to approximately Baht 31 million (2020: Baht 3 million) in respect of litigation, which final judgement has not yet been reached. However, the management of the Bank believes that no material losses to the financial statements will be incurred as a result of the mentioned lawsuit and therefore no liabilities are currently recorded.

**31 Related party transactions**

Related parties comprise individuals or enterprises that control or are controlled by the Bank, whether directly or indirectly, or which are under common control with the Bank.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Bank that gives them significant influence over the Bank, key management personnel, directors and officers with authority in the plan and the direction of the Bank's operations, together with close family members of such persons and companies which are controlled and influenced by them, whether directly or indirectly.

During the years, the Bank had significant business transactions with its related companies and related persons. These transactions have been concluded on commercial terms and based agreed upon in the ordinary course of business between the Bank and those parties are summarised as follow:

	For the year ended		
	2021 Thousand Baht	2020 Thousand Baht	
			Terms and pricing policy
<b>Parent company</b>			
Interest income	46,535	30,399	At market price
Interest expenses	18,692	68,358	At market price
Premises and equipment expenses	3,212	2,742	At the rate agreed under the service contract
Fee income	16,731	4,962	At the rate agreed under the service contract
Fee expenses	274	65	At the rate agreed under the service contract
Other expenses	762	317	At the rate agreed under the service contract
<b>Companies in the Bank of China Group</b>			
Interest income	1,683	3,727	At market price
Interest expenses	65,305	110,391	At market price
Premises and equipment expenses	10,780	8,798	At the rate agreed under the service contract
Fee income	21,996	25,941	At the rate agreed under the service contract
Fee expenses	973	544	At the rate agreed under the service contract
Other expenses	2,908	-	At the rate agreed under the service contract
<b>Related parties</b>			

Interest expenses

288

624 At market price



As at 31 December 2021 and 2020, the outstanding balances of the accounts between the Bank and related companies are as follows:

	2021 Thousand Baht	2020 Thousand Baht
<b>Outstanding balance</b>		
<b>Parent company</b>		
Interbank and money market items (assets)	2,868,790	1,950,780
Derivative assets	4,194	4,624
Accrued interest receivables	526	292
Other receivables	-	8,365
Interbank and money market items (liabilities)	5,690,473	450,557
Derivative liabilities	750	493
Debts issued and borrowings	2,339,393	2,102,597
Accrued interest payables	2,903	1,190
Accrued expenses	2,162	3,144
Commitment from foreign exchange contracts	439,748	292,824
Commitment from interest rate swap contracts	501,299	450,557
<b>Companies in the Bank of China Group</b>		
Interbank and money market items (assets)	197,619	497,910
Accrued interest receivables	-	703
Accrued fee income	4,799	6,488
Interbank and money market items (liabilities)	6,238,540	6,927,403
Accrued interest payables	6,805	3,284
Cash subscription payable	203,013	203,013
Other liabilities on behalf of Bank of China Limited, Bangkok branch	10,789	10,789
Accrued expenses	9,438	9,027
Other liabilities	7,381	6,413
<b>Related parties</b>		
Investments	5	5
Deposits	190,416	207,052
Accrued interest payables	53	7

Outstanding balances with directors and key management personnel are as follows:

	2021 Thousand Baht	2020 Thousand Baht
Loans to customers	134	72
Deposits	11,522	52,664

#### Directors and management's benefits

During the year ended 31 December 2021 and 2020, the Bank had short-term benefit expenses paid to their directors and key management as follows:

	2021 Thousand Baht	2020 Thousand Baht
Short-term benefits*	57,051	51,429
Total	57,051	51,429

\* Short-term benefits include directors' remuneration amounting to Baht 5.2 million (2020: Baht 5.5 million).

## 32 Earnings per share

Basic earnings per share is calculated by dividing profits for the years attributable to equity holders of the Bank (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the years.

	2021	2020
Profits for the years (Thousand Baht)	250,490	68,042
Basic earnings per share (Baht per share)	0.25	0.07
Weighted average number of shares (shares)	1,000,000,000	1,000,000,000

## 33 Financial position and results of operations classified by business activity

As at 31 December 2021 and 2020, financial positions of the Bank classified by geographic locations are as follows:

	2021		2020		
	Domestic Thousand Baht	Total Thousand Baht	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht
Total assets	70,952,023	70,952,023	62,120,572	6,420,296	68,540,868
Interbank and money market items - net (assets)	13,356,329	13,356,329	8,808,928	457,599	9,266,527
Investments - net	8,942,311	8,942,311	12,873,976	-	12,873,976
Loans to customers and accrued interest receivables - net	47,855,598	47,855,598	39,500,768	5,954,395	45,455,163
Deposits	44,604,528	44,604,528	47,093,800	72	47,093,872
Interbank and money market items (liabilities)	11,937,201	11,937,201	4,661	7,377,959	7,382,620
Liabilities payable on demand	324,952	324,952	355,269	492	355,761
Debts issued and borrowings	2,339,393	2,339,393	-	2,102,597	2,102,597

The operating results of the Bank for the year ended 31 December 2021 and 2020 classified by geographic locations are as follows:

	2021		2020		
	Domestic Thousand Baht	Total Thousand Baht	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht
Interest income	1,409,392	1,409,392	1,456,624	193,653	1,650,277
<u>Less</u> Interest expenses	(444,542)	(444,542)	(769,728)	(118,587)	(888,315)
Net interest income	964,850	964,850	686,896	75,066	761,962
Net fees and service income	215,416	215,416	195,879	13,828	209,707
Other operating income	284,588	284,588	235,392	5,834	241,226
<u>Less</u> Other operating expenses	(843,264)	(843,264)	(836,319)	-	(836,319)
<b>Profits from operation before expected credit losses and income tax</b>	<b>621,590</b>	<b>621,590</b>	<b>281,848</b>	<b>94,728</b>	<b>376,576</b>

## 34 Fair value of financial instruments

As at 31 December 2021 and 2020, the Bank had the financial assets and liabilities that were measured at fair value or disclosed fair value using different levels of inputs as follows:

	2021				
	Carrying value Thousand Baht	Fair value			Total Thousand Baht
		Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	
<b>Financial assets and liabilities measured at fair value</b>					
<b>Financial assets</b>					
Derivative assets	23,325	-	23,325	-	23,325
Investments in debt instruments measured at fair value through other comprehensive income	8,942,306	-	8,942,306	-	8,942,306
Investments in equity instruments designated at fair value through other comprehensive income	5	-	5	-	5
<b>Financial liabilities</b>					
Derivative liabilities	37,741	-	37,741	-	37,741
<b>Financial assets and liabilities not measured at fair value</b>					
<b>Financial assets</b>					
Cash	130,525	130,525	-	-	130,525
Interbank and money market items - net (assets)	13,356,329	2,077,792	11,278,537	-	13,356,329
Loan to customers and accrued interest receivables - net	47,855,598	-	47,855,598	-	47,855,598
<b>Financial liabilities</b>					
Deposits	44,604,528	20,678,278	23,926,250	-	44,604,528
Interbank and money market items (liabilities)	11,937,201	174,492	11,762,709	-	11,937,201
Liabilities payable on demand	324,952	-	324,952	-	324,952
Debts issued and borrowings	2,339,393	-	2,185,954	-	2,185,954
Lease liabilities	282,028	-	282,028	-	282,028

	2020				
	Carrying value Thousand Baht	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
<b>Financial assets and liabilities measured at fair value</b>					
<b>Financial assets</b>					
Derivative assets	48,364	-	48,364	-	48,364
Investments in debt instruments measured at fair value through other comprehensive income	12,873,971	-	12,873,971	-	12,873,971
Investments in equity instruments designated at fair value through other comprehensive income	5	-	5	-	5
<b>Financial liabilities</b>					
Derivative liabilities	23,372	-	23,372	-	23,372
<b>Financial assets and liabilities not measured at fair value</b>					
<b>Financial assets</b>					
Cash	146,824	146,824	-	-	146,824
Interbank and money market items - net (assets)	9,266,527	2,252,552	7,013,975	-	9,266,527
Loan to customers and accrued interest receivables - net	45,455,163	-	45,455,163	-	45,455,163
<b>Financial liabilities</b>					
Deposits	47,093,872	16,987,865	30,106,007	-	47,093,872
Interbank and money market items (liabilities)	7,382,620	168,160	7,214,460	-	7,382,620
Liabilities payable on demand	355,761	-	355,761	-	355,761
Debts issued and borrowings	2,102,597	-	2,023,248	-	2,023,248
Lease liabilities	320,917	-	320,917	-	320,917

During the current year, there were no transfers among the fair value hierarchy levels.

Fair value of each item of assets and liabilities is estimated using the following methods and assumptions.

**(a) Cash**

The fair value is assumed to approximate its book value in the statement of financial position.

**(b) Interbank and money market items (asset)**

The fair value is assumed to approximate their book value in the statement of financial position due to their short-term maturity.

**(c) Derivatives**

For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market such as spot rates, forward rates of foreign currencies and interest rate yield curves. The Bank had considered an effect of counterparty's credit risk when determining the fair value of derivatives.

(d) Investments

The fair value of investments in domestic debts instruments is generally derived from quoted market prices or determined by using the yield curve as announced by the Thai Bond Market Association.

The fair value of investments in foreign debt instruments is determined based on the latest published price obtained from reliable sources.

The fair value of investments in non-marketable equity instruments is determined based on generally accepted pricing models.

(e) Loans to customers

The fair value of loans to customers is presented at the carrying value of loans to customers and accrued interest receivables net of allowance for expected credit losses. The majority of loans to customer are floating rate loans, which the management has assessed that their effective interest rate are comparable to effective interest rate in the market.

(f) Deposits

The fair value of demand deposits, floating-rate deposits and deposits that are re-priced within 1 year as from the financial reporting date is estimated to approximate their carrying values. The fair values for other fixed-rate deposits are estimated using the discounted cash flow techniques by discounting the expected future cash flows at the Bank's interest rate for similar deposits.

(g) Interbank and money market items (liabilities)

The fair value of interbank and money market items payable on demand, floating-rate deposits or fixed-rate deposits with no more than 1 year from the statement of financial position date remaining to maturity is assumed to approximate their book value.

(h) Liabilities payable on demand

The fair value is assumed to approximate its book value in the statement of financial position due to its short-term maturity.

(i) Debts issued and borrowings

The fair value of floating rate debts issued and borrowings with a remaining maturity period of longer than 1 year as from the financial reporting date is estimated using the discounted cash flow techniques and applying an average rate of interest currently charged on borrowings with similar arrangements.

(j) Lease liabilities

The fair value of lease liabilities is determined by discounting the expected future cash flows by the Bank's incremental borrowing rates with similar conditions.

## 35 Offsetting of financial assets and financial liabilities

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at 31 December 2021 and 2020.

2021						
Amounts subject to enforceable netting arrangements						
			Amount not set off in the statement of financial position			
	Gross amounts Thousand Baht	Amount offset Thousand Baht	Net amounts in the statement of financial position Thousand Baht	Financial instruments Thousand Baht	Cash collateral Thousand Baht	Net amount Thousand Baht
<b>Financial assets</b>						
Derivatives assets	4,545	-	4,545	-	-	-
<b>Total financial assets</b>	4,545	-	4,545	-	-	-
<b>Financial liabilities</b>						
Derivatives liabilities	26,974	-	26,974	22,429	18,381	4,048
<b>Total financial liabilities</b>	26,974	-	26,974	22,429	18,381	4,048
2020						
Amounts subject to enforceable netting arrangements						
			Amount not set off in the statement of financial position			
	Gross amounts Thousand Baht	Amount offset Thousand Baht	Net amounts in the statement of financial position Thousand Baht	Financial instruments Thousand Baht	Cash collateral Thousand Baht	Net amount Thousand Baht
<b>Financial assets</b>						
Derivatives assets	37,217	-	37,217	25,879	21,608	4,271
<b>Total financial assets</b>	37,217	-	37,217	25,879	21,608	4,271
<b>Financial liabilities</b>						
Derivatives liabilities	11,338	-	11,338	-	-	-
<b>Total financial liabilities</b>	11,338	-	11,338	-	-	-

## 36 Risk management

### 36.1 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to fulfill an obligation, causing the Bank to incur a financial loss. The amount of maximum credit risk exposure is the carrying amount of the financial instrument less allowance for expected credit losses as stated in the statements of financial position and the risk of commitments from avals, guarantees of loans and other guarantees.

In addition, the Bank manages credit risk by the means of careful consideration of credit approval process, analysis of risk factors and the ability of customers to service debt, and a credit review process, which examines and reviews the quality of the loan portfolio so as to prevent and provide a remedy for problem loans in the future.

The Bank's credit risk management involves the performance of independent due diligence without management intervention, which takes both business developments and risk mitigation into consideration; credit approval based on careful decision-making and a systematic post-approval review, monitoring and evaluation process. The Bank's guidelines for credit risk management are consistent with both the policies of the parent company and regulatory guidelines.

#### Concentration of exposure

Concentrations of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in the same geographical areas or industry sectors so that their collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions. The Bank use a number of controls and measures to minimise undue concentration of exposure in the portfolios across industries. These include portfolio and counterparty limits, approval and review controls, and stress testing.

As at 31 December 2021 and 2020, concentrations of credit risk relative to the loans and receivables net of deferred revenue summarised by type of industry are as follows:

	2021 Thousand Baht	2020 Thousand Baht
Agriculture and mining	4,544,516	3,523,115
Manufacturing and commercial	16,766,095	12,607,817
Property development and construction	6,459,473	6,957,141
Infrastructure and service	8,897,323	10,629,255
Housing loans	2,371,402	2,839,509
Others	10,573,098	10,324,108
<b>Total</b>	<b>49,611,907</b>	<b>46,880,945</b>

#### The maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for recognised and unrecognised financial instruments. The maximum exposure is shown at the gross carrying amount before both the effect of mitigation through use of master netting and collateral arrangements.

For financial assets recognised on the statement of financial position, the maximum exposure to credit risk equals their carrying amount or for non-derivative off-statement of financial position transaction equals to their contractual nominal amounts.

For financial guarantee contracts, the maximum exposure to credit risk is the maximum amount that the Bank would have to pay if the guarantees are called upon. For undrawn credit limits that are irrevocable over the life of the respective facilities, the maximum exposure to credit risk is the full amount of the committed facilities.

As at 31 December 2021 and 2020, the maximum exposure to credit risk are as follows:

	2021 Thousand Baht	2020 Thousand Baht
Interbank and money market items (assets)	13,452,705	9,305,087
Investments in debt instruments measured at fair value through other comprehensive income	8,847,675	12,886,460
Loans to customers and accrued interest receivables	49,806,687	46,923,389
Other accrued interest receivables	48,148	42,321
Total financial assets	72,155,215	69,157,257
Loan commitments	2,229,075	3,821,842
Financial guarantee contracts	21,593,769	18,368,295
Total	23,822,844	22,190,137
<b>Total credit risk exposure</b>	<b>95,978,059</b>	<b>91,347,394</b>

#### Credit quality analysis

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Bank. The Bank has adopted a policy to mitigate this risk, whereby credit analysis is performed based on customer information and the status of customers is followed up consistently.

The table below shows the credit quality of financial assets exposed to credit risk. The amounts presented for financial assets are the gross carrying amount (before netting allowance for expected credit losses). The amounts presented for undrawn credit limits and financial guarantee contracts are the amounts committed or guaranteed, respectively.



Explanations of the 12-month expected credit losses, lifetime expected credit losses - not credit impaired, and lifetime expected credit losses - credit impaired are included in Note 2.10 to the financial statements.

	2021			Total Thousand Baht
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL) Thousand Baht	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired) Thousand Baht	Financial assets that are credit-impaired (Lifetime ECL - credit impaired) Thousand Baht	
<b>Interbank and money market items - net (assets)</b>				
Investment grade <sup>*</sup>	13,358,841	-	-	13,358,841
Non-investment grade <sup>*</sup>	-	-	-	-
Total	13,358,841	-	-	13,358,841
<u>Less</u> Allowance for expected credit losses	(2,512)	-	-	(2,512)
Net carrying amount	13,356,329	-	-	13,356,329
<b>Investments in debt instruments measured at fair value through other comprehensive income</b>				
Investment grade <sup>*</sup>	8,949,774	-	-	8,949,774
Non-investment grade <sup>*</sup>	-	-	-	-
Total	8,949,774	-	-	8,949,774
<u>Less</u> Allowance for expected credit losses	(7,468)	-	-	(7,468)
Net carrying amount	8,942,306	-	-	8,942,306
<b>Loans to customers and accrued interest receivables - net</b>				
0 - 30 days overdue	46,802,458	1,004,854	-	47,807,312
31 - 90 days overdue	-	13,206	-	13,206
Over 90 days overdue	-	-	1,900,864	1,900,864
Total	46,802,458	1,018,060	1,900,864	49,721,382
<u>Less</u> Allowance for expected credit losses	(624,664)	(191,827)	(1,049,293)	(1,865,784)
Net carrying amount	46,177,794	826,233	851,571	47,855,598
<b>Loan commitments</b>				
Loan commitments	2,228,480	595	-	2,229,075
<u>Less</u> Allowance for expected credit losses	(21,243)	(99)	-	(21,342)
Net carrying amount	2,207,237	496	-	2,207,733
<b>Financial guarantee contracts</b>				
Financial guarantee contracts	21,391,151	128,468	74,150	21,593,769
<u>Less</u> Allowance for expected credit losses	(24,451)	(6,007)	(74,150)	(104,608)
Net carrying amount	21,366,700	122,461	-	21,489,161

<sup>\*</sup> Rating of external credit risk rating agency

	2020			Total Thousand Baht
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL) Thousand Baht	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired) Thousand Baht	Financial assets that are credit-impaired (Lifetime ECL - credit impaired) Thousand Baht	
<b>Interbank and money market items - net (assets)</b>				
Investment grade *	9,269,585	-	-	9,269,585
Non-investment grade *	-	-	-	-
Total	9,269,585	-	-	9,269,585
<u>Less</u> Allowance for expected credit losses	(3,058)	-	-	(3,058)
Net carrying amount	9,266,527	-	-	9,266,527
<b>Investments in debt instruments measured at fair value through other comprehensive income</b>				
Investment grade *	12,886,460	-	-	12,886,460
Non-investment grade *	-	-	-	-
Total	12,886,460	-	-	12,886,460
<u>Less</u> Allowance for expected credit losses	(12,489)	-	-	(12,489)
Net carrying amount	12,873,971	-	-	12,873,971
<b>Loans to customers and accrued interest receivables - net</b>				
0 - 30 days overdue	44,883,684	278,585	-	45,162,269
31 - 90 days overdue	-	3,605	-	3,605
Over 90 days overdue	-	-	1,757,515	1,757,515
Total	44,883,684	282,190	1,757,515	46,923,389
<u>Less</u> Allowance for expected credit losses	(579,641)	(15,386)	(873,199)	(1,468,226)
Net carrying amount	44,304,043	266,804	884,316	45,455,163
<b>Loan commitments</b>				
Loan commitments	3,799,723	22,119	-	3,821,842
<u>Less</u> Allowance for expected credit losses	(43,150)	(188)	-	(43,338)
Net carrying amount	3,756,573	21,931	-	3,778,504
<b>Financial guarantee contracts</b>				
Financial guarantee contracts	18,184,658	109,487	74,150	18,368,295
<u>Less</u> Allowance for expected credit losses	(36,709)	(3,308)	(74,150)	(114,167)
Net carrying amount	18,147,949	106,179	-	18,254,128

\* Rating of external credit risk rating agency

**Collateral and any operations to increase creditability**

The Bank holds collateral and any operations to increase the creditability of its exposure to credit risk. Fair value of collateral held in order to mitigate potential losses are shown below:

Type of collateral	2021	2020
	Thousand Baht	Thousand Baht
Lands, buildings, vehicle, and deposits	25,261,047	13,295,809

**36.2 Market risk**

Market risk is the risk that the Bank may be affected by changes in value of position on the statements of financial position and off-the statements of financial position which is caused by fluctuation of interest rate, foreign exchange rate, equity securities price and commodity price resulting in negative impact on income and capital. The Bank has strict, prudent and reliable market risk management guidelines to ensure that the market risk remains at the low level and can be efficiently managed since the Bank's market risk is relatively limited. This enables the Bank to maintain foreign currency position within the specified risk limits and to improve the effectiveness in its monitoring of the value of positions, processes related to the management of derivative transactions, issuance of new derivative products as well as the adjustment of interest rates, when necessary, and adjustment related to the efficiency of the Bank's use of capital.

**Interest rate risk**

Interest rate risk in banking book is the risk or potential loss to earnings and economic value of the Bank due to the change in interest rates. This interest rate risk arises from mismatches between the maturities and the repricing terms of assets and liabilities.

These mismatches are actively monitored and managed as part of the overall interest rate risk management process which is conducted in accordance with the Bank's risk management policies.

However, financial assets and financial liabilities represented their carrying amounts in the statements of financial position, are classified by types of interest rates as follows:

	2021				Total Thousand Baht
	Floating rate Thousand Baht	Fixed rate Thousand Baht	Non-interest bearing Thousand Baht	Non-performing loan Thousand Baht	
<b>Financial assets</b>					
Cash	-	-	130,525	-	130,525
Interbank and money market items	1,063,841	10,773,630	1,614,355	-	13,451,826
Derivative assets	-	-	23,325	-	23,325
Investments	-	8,949,774	5	-	8,949,779
Loans to customers	31,028,077	16,732,802	-	1,851,028	49,611,907
<b>Total financial assets</b>	<b>32,091,918</b>	<b>36,456,206</b>	<b>1,768,210</b>	<b>1,851,028</b>	<b>72,167,362</b>
<b>Financial liabilities</b>					
Deposits	20,012,834	23,926,250	665,444	-	44,604,528
Interbank and money market items	5,654,958	6,113,903	168,340	-	11,937,201
Liabilities payable on demand	-	-	324,952	-	324,952
Derivative liabilities	-	-	37,741	-	37,741
Debts issued and borrowings	2,339,393	-	-	-	2,339,393
Lease liabilities	-	282,028	-	-	282,028
<b>Total financial liabilities</b>	<b>28,007,185</b>	<b>30,322,181</b>	<b>1,196,477</b>	<b>-</b>	<b>59,525,843</b>

	2020				
	Floating rate Thousand Baht	Fixed rate Thousand Baht	Non-interest bearing Thousand Baht	Non-performing loan Thousand Baht	Total Thousand Baht
<b>Financial assets</b>					
Cash	-	-	146,824	-	146,824
Interbank and money market items	1,653,636	6,277,476	1,373,975	-	9,305,087
Derivative assets	-	-	48,364	-	48,364
Investments	-	12,886,460	5	-	12,886,465
Loans to customers	31,623,362	13,524,013	-	1,733,570	46,880,945
<b>Total financial assets</b>	<b>33,276,998</b>	<b>32,687,949</b>	<b>1,569,168</b>	<b>1,733,570</b>	<b>69,267,685</b>
<b>Financial liabilities</b>					
Deposits	16,351,470	30,106,007	636,395	-	47,093,872
Interbank and money market items	6,765,822	450,557	166,241	-	7,382,620
Liabilities payable on demand	-	-	355,761	-	355,761
Derivative liabilities	-	-	23,372	-	23,372
Debts issued and borrowings	2,102,597	-	-	-	2,102,597
Lease liabilities	-	320,917	-	-	320,917
<b>Total financial liabilities</b>	<b>25,219,889</b>	<b>30,877,481</b>	<b>1,181,769</b>	<b>-</b>	<b>57,279,139</b>

With respect to financial instruments that carry fixed interest rates, the periods from the financial statement date to the repricing or maturity date (whichever is sooner) are presented below:

	2021					Weighted average (% per annum)
	Repricing or maturity date					
	Within 3 months Thousand Baht	3 - 12 months Thousand Baht	1 - 5 years Thousand Baht	More than 5 years Thousand Baht	Total Thousand Baht	
<b>Financial assets</b>						
Interbank and money market items	9,553,838	158,591	987,443	73,758	10,773,630	0.82
Investments	300,948	2,258,197	6,279,876	110,753	8,949,774	1.74
Loans to customers	7,243,955	5,591,163	3,897,684	-	16,732,802	2.61
<b>Total financial assets</b>	17,098,741	8,007,951	11,165,003	184,511	36,456,206	
<b>Financial liabilities</b>						
Deposits	12,031,586	11,772,803	121,861	-	23,926,250	0.80
Interbank and money market items	3,852,379	1,838,094	423,430	-	6,113,903	0.23
Lease liabilities	14,514	44,764	218,966	3,784	282,028	2.57 - 4.52*
<b>Total financial liabilities</b>	15,898,479	13,655,661	764,257	3,784	30,322,181	

\* Interest rate per annum

	2020					Weighted average (% per annum)
	Repricing or maturity date					
	Within 3 months Thousand Baht	3 - 12 months Thousand Baht	1 - 5 years Thousand Baht	More than 5 years Thousand Baht	Total Thousand Baht	
<b>Financial assets</b>						
Interbank and money market items	5,961,870	29,180	183,289	103,137	6,277,476	0.76
Investments	2,602,755	1,203,622	8,963,205	116,878	12,886,460	1.31
Loans to customers	4,757,339	3,380,363	5,386,311	-	13,524,013	2.85
<b>Total financial assets</b>	13,321,964	4,613,165	14,532,805	220,015	32,687,949	
<b>Financial liabilities</b>						
Deposits	14,594,021	14,397,342	1,114,644	-	30,106,007	1.23
Interbank and money market items	-	450,557	-	-	450,557	0.92
Lease liabilities	14,579	43,652	226,192	36,494	320,917	1.55 - 4.52
<b>Total financial liabilities</b>	14,608,600	14,891,551	1,340,836	36,494	30,877,481	

\* Interest rate per annum

*Interest rate sensitivity analysis*

Analysis of sensitivity to changes in interest rates shows the impact of potential changes in interest rates on the statement of comprehensive income and equity of the Bank when other variables are set to constant values.

The sensitivity of the statement of comprehensive income is the effect of changes in interest rates to profit or loss of the year. For financial assets and financial liabilities at the end of the reporting period, the sensitivity of equity is calculated by measuring the fair value as at 31 December 2021 and 2020 of financial assets measured at fair value through other comprehensive income using a new fixed rate.

The effect of change in interest rates on profit or loss and equity as of 31 December 2021 and 2020 can be summarised as follows:

	2021	
	Profit or loss Thousand Baht	Equity Thousand Baht
Increased by 1%	1,897	(191,965)
Decreased by 1%	(1,897)	191,965
	2020	
	Profit or loss Thousand Baht	Equity Thousand Baht
Increased by 1%	(7,248)	(252,968)
Decreased by 1%	7,248	252,968

*Foreign exchange risk*

Foreign exchange risk is the risk that changes in foreign exchange rates may result in fluctuations in revenues or the values of financial assets and liabilities, and changes in the value of financial instruments.

Since the Bank has foreign exchange transactions, it may be exposed to foreign exchange risk. However, the Bank has a policy to mitigate this foreign exchange exposure through management of its net foreign exchange position and operation in accordance with a risk management policy which has been approved by its Board of Directors and is in strict accordance with BoT's guidelines.

The foreign currency position of the Bank as at 31 December 2021 and 2020 can be summarised as follows:

	2021					
	Baht Thousand Baht	US Dollar Thousand Baht	Chinese Yuan Thousand Baht	Hong Kong Dollar Thousand Baht	Others Thousand Baht	Total Thousand Baht
<b>Financial assets</b>						
Cash	86,091	28,039	16,395	-	-	130,525
Interbank and money market items	9,991,911	1,852,186	512,671	856,707	145,366	13,358,841
Investments	7,623,148	-	1,326,631	-	-	8,949,779
Loans to customers	32,218,858	15,996,334	174,172	-	1,332,018	49,721,382
Other accrued interest receivables	17,244	-	30,904	-	-	48,148
<b>Total financial assets</b>	<b>49,937,252</b>	<b>17,876,559</b>	<b>2,060,773</b>	<b>856,707</b>	<b>1,477,384</b>	<b>72,208,675</b>
<b>Financial liabilities</b>						
Deposits	33,309,685	9,331,316	1,899,252	-	64,275	44,604,528
Interbank and money market items	168,340	9,570,524	6,152	857,720	1,334,465	11,937,201
Liabilities payable on demand	21,214	223,856	79,013	-	869	324,952
Debts issued and borrowings	-	2,339,393	-	-	-	2,339,393
Lease liabilities	282,028	-	-	-	-	282,028
Accrued interest payable	79,370	12,279	10,018	209	316	102,192
<b>Total financial liabilities</b>	<b>33,860,637</b>	<b>21,477,368</b>	<b>1,994,435</b>	<b>857,929</b>	<b>1,399,925</b>	<b>59,590,294</b>
<b>Commitments</b>						
Guarantees of loans	-	-	-	-	908,596	908,596
Letters of credit	-	277,741	8,652	-	6,497	292,890
Liabilities under unmaturing import bills	-	168,942	-	-	-	168,942
Other commitments						
- Undrawn overdraft amount	41,651	-	-	-	-	41,651
- Other guarantees	15,543,496	4,323,402	170,701	-	185,742	20,223,341
- Others	1,908,925	278,499	-	-	-	2,187,424



	2020					
	Baht Thousand Baht	US Dollar Thousand Baht	Chinese Yuan Thousand Baht	Hong Kong Dollar Thousand Baht	Others Thousand Baht	Total Thousand Baht
<b>Financial assets</b>						
Cash	100,943	31,797	14,084	-	-	146,824
Interbank and money market items	6,795,106	1,150,887	488,926	776,627	93,541	9,305,087
Investments	12,202,541	-	683,924	-	-	12,886,465
Loans to customers	31,185,548	14,171,858	107,843	-	1,415,696	46,880,945
<b>Total financial assets</b>	<b>50,284,138</b>	<b>15,354,542</b>	<b>1,294,777</b>	<b>776,627</b>	<b>1,509,237</b>	<b>69,219,321</b>
<b>Financial liabilities</b>						
Deposits	37,003,451	8,592,578	1,456,542	-	41,301	47,093,872
Interbank and money market items	166,241	5,023,705	1,919	775,060	1,415,695	7,382,620
Liabilities payable on demand	21,899	306,318	26,573	10	961	355,761
Debts issued and borrowings	-	2,102,597	-	-	-	2,102,597
Lease liabilities	320,917	-	-	-	-	320,917
<b>Total financial liabilities</b>	<b>37,512,508</b>	<b>16,025,198</b>	<b>1,485,034</b>	<b>775,070</b>	<b>1,457,957</b>	<b>57,255,767</b>
<b>Commitments</b>						
Guarantees of loans	-	-	-	-	869,590	869,590
Letters of credit	146,973	88,650	23,527	-	6,518	265,668
Liabilities under unmatured import bills	2,529	-	31,807	-	-	34,336
Other commitments						
- Undrawn overdraft amount	95,376	-	-	-	-	95,376
- Other guarantees	12,489,080	4,150,669	400,976	-	157,976	17,198,701
- Others	1,796,351	1,930,115	-	-	-	3,726,466

In addition, the Bank has commitments from foreign exchange contracts made for trading transactions as follows:

	2021					
	Baht Thousand Baht	US Dollar Thousand Baht	Chinese Yuan Thousand Baht	Hong Kong Dollar Thousand Baht	Others Thousand Baht	Total Thousand Baht
Foreign exchange contracts						
- Bought	984,005	5,622,712	92,045	-	-	6,698,762
- Sold	5,553,601	1,063,592	95,392	-	-	6,712,585
Interest rate swap contracts	-	1,002,597	-	-	-	1,002,597
	2020					
	Baht Thousand Baht	US Dollar Thousand Baht	Chinese Yuan Thousand Baht	Hong Kong Dollar Thousand Baht	Others Thousand Baht	Total Thousand Baht
Foreign exchange contracts						
- Bought	1,785,664	3,289,209	193,773	-	601	5,269,247
- Sold	3,303,831	1,940,701	-	-	-	5,244,532
Interest rate swap contracts	-	901,113	-	-	-	901,113

#### Foreign exchange rate sensitivity analysis

Analysis of sensitivity to changes in foreign exchange rates shows the impact of potential changes in foreign exchange rates on the statement of comprehensive income and the shareholders' equity of the Bank when other variables are set to constant values. The risks encountered, and methods used for sensitivity analysis are unchanged from the previous period.

The effect of changes in exchange rate on profit or loss and equity as of 31 December 2021 and 2020 can be summarised as follows:

	2021	
	Sensitivity of	
	Profit or loss Thousand Baht	Equity Thousand Baht
Increased by 10%	3,978	3,978
Decreased by 10%	(3,978)	(3,978)
	2020	
	Sensitivity of	
	Profit or loss Thousand Baht	Equity Thousand Baht
Increased by 10%	6,278	6,278
Decreased by 10%	(6,278)	(6,278)

Note: The effect of increase (decrease) in exchange rate is the appreciation (depreciation) of foreign currencies compared to US Dollars.

### 36.3 Liquidity risk

Liquidity risk is the risk that the Bank will be unable to meet repayment obligations when they fall due. This could arise from a failure in asset conversion or to raise adequate funds for timely fulfillment of obligations.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. Major source of fund is from share capital.

The Bank's guidelines for liquidity risk management involve continuous risk analysis and assessment to ensure that adequate liquidity is maintained for the business operations while risk appetites are not exceeded, and management costs are appropriate, including liquidity gap analysis covering both normal and crisis situations. Impact analysis is conducted under three scenarios i.e., a bank-specific liquidity crisis, a market-wide liquidity crisis and a combination liquidity crisis. The Bank has also adopted a Contingency Funding Plan (CFP) to mitigate the severity of impacts that may occur and tests the plan at least once a year. In addition, the Bank manages liquidity risk in accordance with the Basel III guidelines relating to Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).



The maturity analysis of financial assets and financial liabilities presented at their carrying amounts in the statements of financial position and commitments presented at notional amount, which are computed from the remaining maturity to repayment date is as follows:

	2021					Total Thousand Baht
	At call Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	More than 5 years Thousand Baht	Unspecified maturity date Thousand Baht	
<b>Financial assets</b>						
Cash	130,525	-	-	-	-	130,525
Interbank and money market items	2,077,824	10,308,013	909,719	63,285	-	13,358,841
Derivative assets	-	19,798	3,527	-	-	23,325
Investments	-	2,559,145	6,279,876	110,753	5	8,949,779
Loans to customers*	112	24,759,919	20,287,851	4,537,527	135,973	49,721,382
Other accrued interest receivables	-	48,148	-	-	-	48,148
<b>Total financial assets</b>	<b>2,208,461</b>	<b>37,695,023</b>	<b>27,480,973</b>	<b>4,711,565</b>	<b>135,978</b>	<b>72,232,000</b>
<b>Financial liabilities</b>						
Deposits	20,793,278	23,689,389	121,861	-	-	44,604,528
Interbank and money market items	174,492	9,713,067	2,049,642	-	-	11,937,201
Liabilities payable on demand	324,952	-	-	-	-	324,952
Derivative liabilities	-	34,214	3,527	-	-	37,741
Debts issued and borrowings	-	-	-	2,339,393	-	2,339,393
Lease liabilities	-	67,209	231,910	3,914	-	303,033
Accrued interest payable	1,358	97,113	3,721	-	-	102,192
<b>Total financial liabilities</b>	<b>21,294,080</b>	<b>33,600,992</b>	<b>2,410,661</b>	<b>2,343,307</b>	<b>-</b>	<b>59,649,040</b>
<b>Commitments</b>						
Guarantees of loans	-	706	23,839	884,051	-	908,596
Letters of credit	68,311	221,760	-	-	2,819	292,890
Liabilities under unmatured import bills	-	168,942	-	-	-	168,942
Other commitments						
- Undrawn overdraft amount	-	41,651	-	-	-	41,651
- Other guarantees	368,899	1,484,064	5,431,043	488,500	12,450,835	20,223,341
- Others	15,201	1,513,712	651,737	6,679	95	2,187,424

\* Credit-impaired loans have been classified within loans to customers with maturity of more than 5 years.

	2020					Total Thousand Baht
	At call Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	More than 5 years Thousand Baht	Unspecified maturity date Thousand Baht	
<b>Financial assets</b>						
Cash	146,824	-	-	-	-	146,824
Interbank and money market items	2,252,552	5,991,049	958,349	103,137	-	9,305,087
Derivative assets	-	44,938	3,426	-	-	48,364
Investments	-	3,806,377	8,963,205	116,878	5	12,886,465
Loans to customers	-	18,161,785	23,377,502	5,215,080	126,578	46,880,945
<b>Total financial assets</b>	<b>2,399,376</b>	<b>28,004,149</b>	<b>33,302,482</b>	<b>5,435,095</b>	<b>126,583</b>	<b>69,267,685</b>
<b>Financial liabilities</b>						
Deposits	16,987,865	28,991,363	1,114,644	-	-	47,093,872
Interbank and money market items	168,160	3,118,452	4,096,008	-	-	7,382,620
Liabilities payable on demand	355,761	-	-	-	-	355,761
Derivative liabilities	-	19,946	3,426	-	-	23,372
Debts issued and borrowings	-	-	-	2,102,597	-	2,102,597
Lease liabilities	-	58,231	226,192	36,494	-	320,917
<b>Total financial liabilities</b>	<b>17,511,786</b>	<b>32,187,992</b>	<b>5,440,270</b>	<b>2,139,091</b>	<b>-</b>	<b>57,279,139</b>
<b>Commitments</b>						
Guarantees of loans	-	-	8,836	860,754	-	869,590
Letters of credit	-	206,805	-	-	58,863	265,668
Liabilities under unmatured import bills	-	34,336	-	-	-	34,336
Other commitments						
- Undrawn overdraft amount	-	95,376	-	-	-	95,376
- Other guarantees	165,309	2,214,795	2,569,711	873,627	11,375,259	17,198,701
- Others	11,168	2,488,550	1,086,321	7,087	133,340	3,726,466

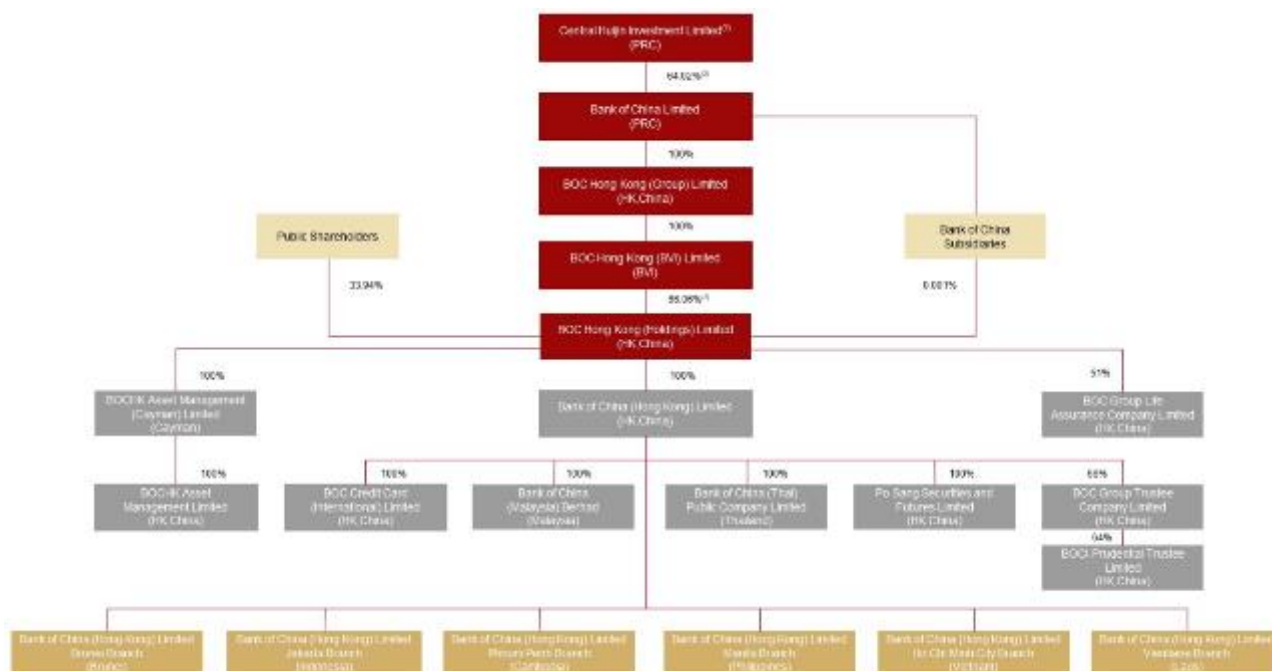
\* Credit-impaired loans have been classified within loans to customers with maturity of more than 5 years.

In accordance with the Notification of the BoT No. Sor Nor Sor. 2/2561 regarding liquidity coverage ratio disclosure standards, the Bank will disclose liquidity coverage ratio information as at 31 December 2021 on its website ([www.bankofchina.com/th](http://www.bankofchina.com/th)) by April 2022.

As of the end of 2021, the Bank had a registered capital of 10,000,000,000 Baht, issued and fully paid-up capital 10,000,000,000 Baht. Totally were 1,000,000,000 ordinary shares, par value 10 Baht.

## Shareholder Structure

The shareholding chart of the bank as of 31 December 2021 as following

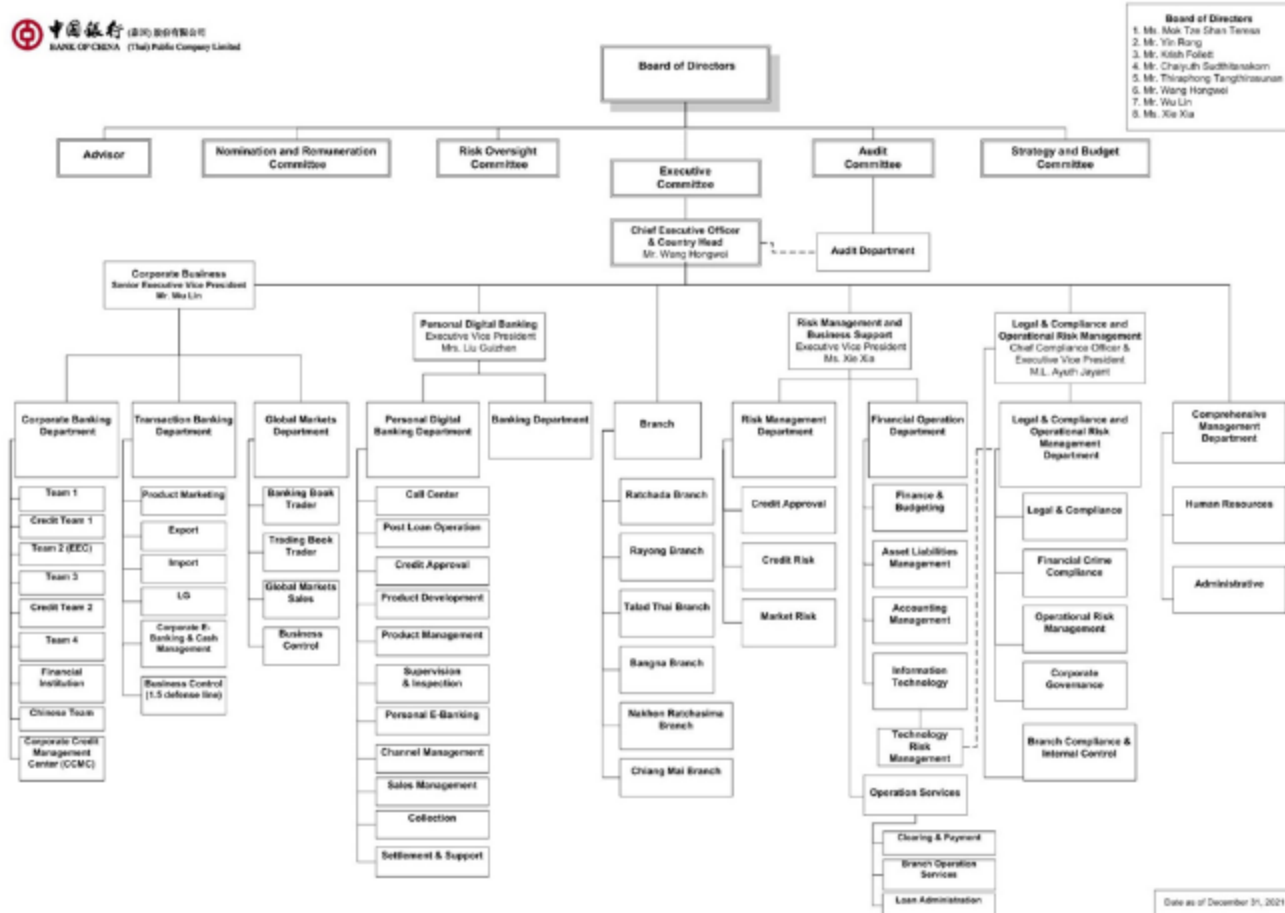


## Name List of Major Shareholders

Name List of Shareholder	Number of Shares	Proportion of Shares
Bank of China (Hong Kong) Limited	999,999,986	99.99%

# 130 Organization Chart

The organization chart as of 31 December 2021 as follows:



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**BANK OF CHINA (THAI) PUBLIC COMPANY LIMITED**

Register Address	1 <sup>st</sup> - 4 <sup>th</sup> Floor Bangkok City Tower, 179/4 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Thailand
Registration No.	0107557000098
Date of first registration	1 April 2014
Registered capital	10,000,000,000 Baht (As of 31 December 2021)
Paid-up capital	10,000,000,000 Baht (As of 31 December 2021)
Par value	10 Baht
Website	<a href="http://www.bankofchina.com/th">www.bankofchina.com/th</a>
Telephone	(66)2-286-1010
Facsimile	(66)2-286-1020
Customer Service Centre (24 hours)	(66)2-679-5566
Auditor	PricewaterhouseCoopers ABAS Limited 15rd Floor Bangkok City Tower, 179/74-80 South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 Thailand

**Branch Office**

(In 2021, BOCT ceased operation of Had Yai Branch and Khon Kaen Branch)

**Bangkok and Metropolitan**

Head office	1 <sup>st</sup> - 4 <sup>th</sup> Floor Bangkok City Tower, 179/4 South Sathorn Road Tungmahamek, Sathorn, Bangkok 10120 Thailand Tel: (66)2-286-1010 Fax: (66)2-286-1020
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Ratchada Branch	1 <sup>st</sup> Floor Paking Building, 9 Ratchadaphisek Road Dendaeng, Bangkok 10400 Thailand Tel: (66)2-203-7333 Fax: (66)2-203-7340
Talad Thai Branch	55/28-29 Moo 9 Tambol Klongsong Amphoe Klongluang, Prathumthani 12120 Thailand Tel: (66)2-150-2459 Fax: (66)2-150-2460
Bangna Branch	1 <sup>st</sup> Floor Mega Bangna Plaza, Bangna-Trad Road, Bangkaew Bangphli, Samutprakarn 10540 Thailand Tel: (66)2-105-2102 Fax: (66)2-105-2101

### Eastern

Rayong Branch	Amata City Industrial Estate, 9/21, Moo 4 Mabyangporn District Pluakdaeng, Rayong 21140 Thailand Tel: (66)3-802-5837 Fax: (66)3-802-5830
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### North Eastern

Nakhonratchasima Branch	440/9–11, Mittraparb-Nongkai Road, Tumbol Naimuang Amphoe MuangNakhonRatchasima, NakhonRatchasima Province 30000 Tel: (66)4-424-8909 Fax: (66)4-424-8901
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### North

Chiangmai Branch	161, 161/1, Moo 4, Tumbol Nongpakrang Amphoe Muang Chiang Mai, Chiang Mai Province, 50000 Tel: (66)5-326-1880 Fax: (66)5-326-1875
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